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3 May 1984

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ARGENTINE ENERGY SECRETARY ON YACYRETA, OTHER PROJECTS

Buenos Aires CLARIN in Spanish 11 Mar 84 p 11

[Text] Secretary of Energy Conrado Storani announced yesterday that the Middle Parana project will be put up for bids and begun during the presidency of Raul Alfonsin. Storani, who spoke in Parana, Entre Rios Province, at the Second Meeting of Governors of Northeast Argentina, also announced that the Argentine-Paraguayan dam of Yacyreta will be operating within 8 or 9 years.

At the same time, he denied that the mixed technical commission of Salto Grande, which administers the dam of the same name in joint ownership with Uruguay, is about to be dissolved.

In statements to the press, after alluding to the government's objective -- that all the provinces become part of the national interconnected system -- Storani mentioned that among the most important works to be realized in the middle term of that plan is the completion of the Northeast Argentina rail system, which links the cities of Santo Tome, Corrientes, with Resistencia, Chaco. He affirmed that this would be finished in August 1985, at a cost of nearly 30 million dollars.

Gas Pipelines

Storani said that the construction of the interfluvial gas pipeline lies within the policy of regional Latin American integration "which begins with Uruguay and continues with Brasil, Paraguay, Bolivia and Chile." He went on to say that contacts with the Uruguayan authorities have been initiated.

The official also alluded to the Campo Duran-Formosa gas pipeline, indicating that the benefits of this project have not been sufficiently elucidated. He added: "I think that it is one of the government's most important initiatives."

With regard to the Campo Duran locale (in Salta), he also announced the construction of a petrochemical plant for the manufacture of fertilizers and agrochemicals. Its capacity will be on the order of 100,000 tons.

He added that the project plans to take that amount of gas from Campo Duran to the Brazilian border, by way of Chaco and Formosa. There, on Argentine territory, another large petrochemical plant will be built, capable of producing from 500,000 to 600,000 tons.

Among the benefits of this program, the official stressed the enrichment of iron for the production of sponge iron, which should contribute, he said, to the Argentine and Paraguayan steel industries.

The next stage, he reported, will be to extend the gas pipeline to San Pablo, Brasil. He emphasized that "for Argentina this project is vital, since it will permit the decentralized development which is a fundamental objective of the government."

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CSO: 3348/337

ARGENTINE YACYRETA DIRECTOR ON PROPOSALS, FINANCING

Buenos Aires CLARIN in Spanish 11 Mar 84 p 12

[Text] The Yacyreta Binational Agency will utilize 130 of the 400 million dollars granted by Eximbank for the acquisition of part of the 20 turbines included in the project. Contracts will be awarded by next May at the latest, so that completion, expected in 1990, will not be delayed.

Argentina, as had been thought, will contribute 40 percent, that is, 8 turbines that will be provided by the Metanac Consortium, with some degree of participation -- as yet unconfirmed -- by AFNE [State Shipyards and Naval Factories].

During the last 40 days the current authorities of the agency studied the specifications and proposals made during the previous administration, which had been called a "more convenient" offer than that effected by the above-mentioned US company.

The executive director for Argentina, Porfirio Aquino, indicated to CLARIN that the "judicial continuity" of the bids that have been tendered will be maintained. In any event, the number of turbines that Allis Chalmers will ultimately provide is yet to be determined, although the amount of Eximbank credit to be used may give an early indication of what will result from the negotiations.

In recent days Aquino held interviews with the representatives of the companies of the three countries (US, Argentina and Paraguay) which will participate in providing the turbines so that, he said, "they can offer a proposal."

Thus the administrative council of the Yacyreta Binational Agency will begin to deal with the matter next week in Asuncion.

At the same time, directors of the North American firm, representatives of Eximbank and the French minister of public works will arrive in Buenos Aires.

Aquino maintained that "there are no difficulties" regarding the turbine question, "nor controversies" among the concerns that will participate in the binational undertaking.

However, the nature of the foreign participation remains to be determined, as well as the questions regarding how it will be divided and whether other previous proposals made by other countries to complement the 20 turbines supposed to be in full operation in 1994 will be accepted.

In the opinion of the executive director for Argentina, there should be no problems for some time regarding financing the project, which is entirely Argentina's responsibility. Paraguay will make its contribution once the dam begins to generate energy, that is, within 6 years.

Aquino emphasized the encouragement shown by the international credit entities, and he mentioned the example of the Inter-American Development Bank, which has offered to double its original contribution, raising it to 480 million dollars.

For the moment, the authorities of Yacyreta Binational Agency are continuing to work with the data inherited from the previous administration, which estimates the complete cost of the project to be 10 billion dollars.

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BRIEFS

YPF ASSISTANCE TO COSTA RICA--The president of Government Oil Deposits (YPF) Hector Fiorioli, on signing an agreement to supply Argentine technical assistance to Costa Rica, announced the beginning of the drilling of the second well in the area of the Palmar Lago deposits, located in La Horqueta. He also noted that within a few days the drilling of the so-called advance wells will be started. He also announced that the first contacts with Paraguay had been made to establish agreements on the exploitation of the area, whose oil field may extend into the territory of that country. The agreement with Costa Rica involves sending Argentine technicians to participate in projects and specific investigations referring to the topic of petroleum. The experts of YPF will evaluate the potential of the energy markets, and will study demand, costs, planning and replacement of equipment. Those who signed the agreement are: the ambassador of the republic of Costa Rica, Roberto Morales Valle; the head and the director of Refinadora Costarricense de Petroleo [Oil Refinery of Costa Rica], Roberto Dobles Mora and Jorge Blanco Roldan; the secretary of energy, Conrado Storani; the subsecretary for fuels, Gustavo Callejas; the subsecretary for energy planning, Jorge La Pena, and the head of YPF, Hector Fiorioli. [Text] [Buenos Aires CLARIN in Spanish 10 Mar 84 p 11]

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REVIEW OF FUTURE PROSPECTS FOR PETROLEUM INDUSTRY

Port-of-Spain SUNDAY EXPRESS in English 11, 18, 25 Mar 84 p 8

[Three-part series by David Renwick, Parliamentary Affairs Reporter]

[Excerpts] PATRICK Augustus Mervyn Manning, the Cabinet Minister responsible for energy and natural resources, has just ended what has become an annual event since he assumed the energy portfolio following the PNM's return to power in November 1981--his brisk round of visits to the oil companies.

He has been to Trinidad Northern Areas (TRINMAR) at Point Fortin, Premier Consolidated Oilfields (PCOL) at Fyzabad, Amoco Trinidad Oil Co at Point Galeota, Trinidad-Tesoro Petroleum Co at Santa Flora and Trinidad and Tobago Oil Co (TRINTOC), also at Point Fortin. For reasons that would be apparent to all, he excluded Texaco Trinidad Inc., though his officials did hold technical discussions with that controversial corporation.

Last year, the picture presented was not a bright one but this year the Minister heard rather more promising news from the six producing companies, with the notable exception of Texaco. They all reported a resurgence in development drilling, which is what keeps production stable or even increases it, and some even indicated a willingness to undertake the more risky exploratory drilling.

Trinidad-Tesoro, for example, despite the uncertainty over when negotiations between the Government and Tesoro Corporation would conclude, hopes to drill six exploratory and semi-exploratory wells this year, four on land and two in its off-shore Galeota lease.

Amoco is drilling two delineation wells to prove up, as the oilmen say, the results of earlier exploratory drilling in the South West Nariva (or Poui extension) and Galeota Ridge fields. TRINMAR is drilling three exploratory wells in its off-shore Soldado concession.

AFTER REACHING its peak of 229,500 barrels-per-day (bpd) in 1978, crude oil production in Trinidad and Tobago abruptly went into reverse gear and an inexorable decline set in.

Output dropped to an average of 214,400 bpd in 1979, 212,057 bpd in 1980, 189,335 bpd in 1981, 177,038 bpd in 1982 and, last year, 159,836 bpd. In short, no fewer than 70,000 barrels of oil a day, and heaven knows how many hundreds of millions of dollars, have been lost to the economy in the last five years.

In percentage terms, the decrease was 11 per cent in 1981, 6.5 per cent in 1982 and 9.9 per cent in 1983.

This is clearly a very disturbing situation, since the amount of crude we can produce, and export, has a direct bearing on the standard of living we enjoy in Trinidad and Tobago. Even at U.S. \$29 a barrel, the real price of crude is not an unreasonable one and could support most of the foreign exchange and fiscal needs of the national economy. The gradual contraction of the amount of oil we have to sell abroad at that price, however, is the worrying thing.

The unfortunate fact is, since the discovery of the Amoco offshore east coast fields, Teak, Samaan and Poui, and the Trinidad-Tesoro offshore Galeotafield, between 1968 and 1970, no new definitive crude oil finds have been made either in the marine or land regions of Trinidad and Tobago.

This has not been for want of trying. The Ministry of Energy and Natural Resources has conducted four licensing and production-sharing contract rounds in the last 13 years and not a single barrel of new oil has resulted.

In effect, the oil production side of the industry has been living off past discoveries and these have now begun to yield much less than formerly. This is particularly true of the Amoco Trinidad Oil Company's operations in the turbulent waters of the Atlantic off the east coast.

The dramatic rise in crude production between 1972 and 1978 was almost entirely due to Amoco. Output shot up from 139,900 bpd in the former year to the 229,500 bpd in the latter year already noted, as the company went on a platform-erecting spree that saw 13 drilling and production structures appear as if by magic up to 25 miles out to sea from the Mayaro coastline.

But as Robert N. Powers, the personable president of Amoco Trinidad, explains, every oilfield peaks at some point and then declines, sometimes at a rate as rapid as 20 per cent a year and his company's three fields have not been immune from that.

When one company is responsible for as much as 60 per cent of a country's crude oil, as Amoco was until recently, overall output is bound to be significantly affected if that company's performance begins to wane.

Acknowledging the reality of no new discoveries, the Ministry of Energy and Natural Resources has been obliged to fall back on fiscal expedients as a means of staunching the haemorrhage in oil production by encouraging further development of existing oil reserves.

The 1981 amendment to the Petroleum Taxes Act was Step One in that direction.

Some success was achieved with the 1981 legislation, though not as much as the Ministry might have wished. The two exploratory wells drilled in Amoco's Galeota Ridge location, the installation of the fourth platform, Trintex D, in Tesoro's Offshore Galeota area and the development of the Amoco Cassia gas field, were all probably the result of the incentives offered at that time.

Last year, a second step was taken to try and energise the companies further, especially in the light of the fall in their incomes after OPEC knocked U.S. \$5 off the price of its market crude, when the supplemental petroleum tax on land operations was substantially reduced from 35 to 15 per cent, workovers or well maintenance activity became a business expense rather than a capital item to be written off over a number of years and injector and off-take wells in secondary recovery schemes on land became eligible for inclusion in the 140 per cent enhanced recovery allowance.

Marine-based operators, such as Amoco and Trinidad Northern Areas, are shortly to become the recipients of similar concessions.

The two sets of fiscal inducements, along with the abolition of the petroleum levy in the 1984 Budget, have begun to have some positive effect on the actual production of oil. The Trintex D platform, for example, will yield 2,500 bpd this year. Amoco's Cassia gas field is also providing 4,000 bpd of condensate, a very light, valuable crude. Secondary recovery schemes are being started up, even at Trintoc, which has been slothful in this respect in the past.

The result is to be seen in the production forecast for 1984, which suggests an average of 152,300 bpd or a decrease of only 4.6 per cent, compared with last year's 9.9 per cent. And that might yet prove a conservative estimate.

By next year, the production decline could have ceased altogether. Energy and Natural Resources Minister Patrick Manning is not disheartened by the failure of exploration efforts in new acreage in the 1970's and still firmly believes in the possibility of some substantial source of additional oil in the 1980's --one that could even double Trinidad and Tobago's present output.

THE key to a new era of ever-increasing crude oil production for Trinidad and Tobago lies in development drilling and secondary recovery in existing fields in the short term and additional sources of oil in entirely new fields in the long term.

Both activities require substantial injections of investment capital but, until recently, the oil companies operating in the country, especially the wholly foreign-owned ones, were unwilling to commit themselves to spending the money on the grounds that the return was unattractive because of the high oil tax base.

The Minister notes confidently that "the decline in output of crude oil can be reversed solely on the basis of development drilling and secondary recovery. In fact, the decline has already been reversed as the figures show, though I can't say how long it will last."

Development drilling simply means drilling in locations where you are fairly certain to strike oil, having earlier done your exploratory and delineation work and satisfied yourself on the size and extent of the crude deposits available.

While the oil tax regime remained the way it was prior to 1980 (the 1981 amendment was, in fact, backdated by Parliament to January 1 the previous year), the companies insisted it was uneconomic to undertake too much development work.

This argument now appears to have been successfully neutralised, even more convincingly so since the "handing back" of about TT\$125 million to the oil companies through the virtual elimination of the petroleum levy after gasoline prices were raised in the 1984 Budget to a level more reflective of true costs.

Trinidad-Tesoro Petroleum Co., for example, intends to drill 35 development wells at a cost of TT\$30.2 million in its land leases this year. Trinidad Northern Areas (TRINMAR) will drill 23 in its offshore Soldado concession in the southern Gulf of Paria.

Amoco Trinidad Oil Co., no doubt expecting fiscal reliefs for itself as the major offshore deepwater producer, at least as generous as those awarded the land operators in the Ministerial orders last year, has pledged to drill nine development wells at a cost of TT\$125 million. Even little Premier Consolidated, which plods along in its modest way behind God's back down in Fyzabad, has indicated it will spend about TT\$210,000 to repeat last year's three-well development initiative this year.

Dr Krishna Persad, manager of exploration and production at Premier, gives an insight into how the economics of taxation works to influence oil company behaviour when he points out that the reduction in supplemental petroleum tax (SPT) for land operators from 35 to 15 per cent last year lowered the cost to Premier of producing a barrel of oil from TT\$75.67 to TT\$58.47.

With another TT \$5 or so knocked off through improvements in the company's own productivity, the total cost per barrel is now about TT\$53. Since the Texaco refinery at Pointe-a-Pierre pays Premier about TT\$60 for each barrel it buys, the British-owned Premier expects to make a "small profit" in 1984 after having lost TT\$2,097,186 last year, TT\$950,000 in 1982 and TT\$584,000 in 1981.

While development drilling accelerates, the companies are also simultaneously turning their attention to propping up output from existing wells through secondary recovery.

Secondary recovery is the exercise whereby oil companies prolong the life of their wells and try to get maximum production out of them. Only about 10 per cent of the oil in place comes to the surface as primary recovery under the well's own pressure but another 10 to 15 per cent is extractable with a little bit of help from agents such as steam and water.

Some 5.8 per cent of all Trinidad and Tobago's oil, and as much as 25 per cent of all land oil, is already being made available through secondary recovery.

By far the leading exponent of the art of secondary recovery in the country is Trinidad Tesoro.

Its fields are littered with compressor stations, steam injection units and winding, silver gas-carrying pipelines, all necessary paraphernalia in the business of winning more crude through the thermal recovery methods that last year were responsible for no less than 43 per cent of Tesoro's total production.

Indeed, Minister Manning has been so pleased with Tesoro's performance in this regard, that he told company officials to their faces when he visited Palo Seco in February that they were running "the most successful oil company in Trinidad and Tobago."

That remark may well have hurt Amoco's feelings (the Galeota-based company did, after all, provide 51.2 per cent of all crude produced last year, compared with only 13.4 per cent from Tesoro) but the Minister's enthusiasm must obviously have been engendered by the latter's high profile in secondary recovery.

By contrast, one of the other main land producers, the wholly state-owned Trinidad and Tobago Oil Co. (TRINTOC), has traditionally lagged behind in secondary recovery. This is seen in the level of its crude output, which was 8,009 barrels-per-day (bpd) last year or a mere five per cent of the country's total.

But under prodding from the Ministry of Energy and Natural Resources, TRINTOC has begun to spend money on steam injection and water-flooding in an effort to uplift a greater proportion of its oil. It has earmarked up to TT\$25.7 million in its 1984 budget for enhanced recovery.

For the longer term, Mr Manning is looking towards an entirely new source of crude to help the companies return to a production level of between 180,000 to 200,000 bpd. This is the unofficial target set by the Ministry, bearing in mind such needs as public sector revenue, local refinery demand under a rationalised structure after the Texaco negotiations, which began last week, are completed, and conservation for the next generation.

This net new oil could come from the extensive reserves of very heavy crude of an API gravity as low as eight degrees which have long been identified in Trinidad but which again only Tesoro has made any effort to try and extract. The company has pitted thermal techniques against heavy oil in its Palo Seco, Central Los Bajos, Guapo, Fyzabad and Apex-Quarry fields, with reasonable success.

For its part, Texaco Trinidad Inc. is sitting on an estimated 500 million barrels of recoverable heavy oil but has made plain its lack of enthusiasm for undertaking the necessary drilling activity unless even more generous fiscal concessions are offered.

The importance of heavy oil for the future of Trinidad and Tobago's integrated petroleum industry is better understood when it is realised that what might save the TRINTOC refinery from closure when the Government takes over Texaco's installations at Pointe-a-Pierre is its conversion to handle such oil.

Mr Manning has a second, but more speculative, card up his sleeve and this is the oil he believes to lie trapped in the deeper horizons of the cretaceous or mesozoic zone.

He has managed to persuade both TRINTOC and Premier to take an exploratory stab at the area next year, at a cost to the former of no less than TT\$20 million for one well. That's because TRINTOC will be going down as deep as 6,096 metres (20,000 feet), while Premier expects to find the mesozoic zone at 2,286 metres (or 7,500 feet).

It is suggested that an extra one billion barrels may be resting snugly in the deeper and older horizons and the Minister has a firm ally in Dr Krishna Persad of Premier, who speaks optimistically of the first mesozoic discovery leading to "the opening-up of an entirely new province and eventually a new high in Trinidad and Tobago's daily crude production."

CSO: 3298/704

ACTIVITIES IN AGRICULTURAL SECTOR FEATURED

Participation in International Market

Buenos Aires LA NACION in Spanish 17 Mar 84 p 6

[Editorial: "Grain Exports"]

[Text] Grain exports in 1983 rebounded sharply from the year before. The increase is, of course, due to the larger surpluses resulting from higher output during the previous crop year. At the same time, however, it shows that Argentina can sell more grain overseas in spite of the prevailing conditions on the world market, where the supply of several products exceeds demand, thus considerably heightening competition.

Last year's sales totaled 23,725,865 tons, an increase of more than 23 percent over the 19.1 million tons exported in 1982. As in previous years, the largest single export was hard wheat, 10,165,020 tons of which were shipped out. It was followed, in order, by corn (6.4 million tons), sorghum (5.2 million) and soybeans (1.4 million).

Once again the main buyer was Russia, which purchased 9,754,584 tons of hard wheat, corn, oats, sorghum and soybeans, accounting for 41.1 percent of our sales. It bears noting, however, that although it was by far the largest importer, its share declined from previous years, when more than three-fifths of our exports were bound for the USSR. The drop reflects not only a change in the marketing pattern, due partly to a shift in Soviet demand, but also a diversification of Argentine exports. Local grains are currently sold to more than 60 countries, which provides more leeway in negotiations and greater assurance of marketing them.

The second leading buyer in 1983 was the People's Republic of China, which imported 2.9 million tons, mainly hard wheat and some corn. With its imports of sorghum, corn, oats and peanuts, Japan was third with 2.4 million tons, followed by Iran with 1.9 million. The recent efforts by National Grain Board officials visiting the Islamic republic foreshadow higher exports there this year; the official negotiators reported that an agreement was reached to ship 620,000 tons of wheat

there up to this October and another 600,000 during the third quarter, to be complemented by part of the future fine-grain crop and 900,000 tons of corn. Spain and Italy, with purchases of close to 1 million tons, were in fifth and sixth places respectively.

In spite of their proximity to Argentine ports, the countries on this continent represented a smaller export market. All told, their purchases were slightly over 1.5 million tons, with Brazil, Cuba, Chile and Peru importing over 200,000 tons each. The figures indicate that the financial troubles common to Latin American nations carry more weight than the advantages stemming from lower freight charges. Nevertheless, the efforts under way to improve the terms of trade with countries on the continent (Mexico is a good example) enable us to be moderately optimistic about an expansion of regional trade.

The above data on agricultural exports are encouraging. The abolition of import tariffs on fertilizers ordered by the authorities a month ago will surely give rise to higher grain production. This, in turn, will lay the groundwork for a larger Argentine share in the world market, because supplies will always be available for traditional clients and potential new buyers. Continuously available supplies at competitive prices are one of the best guarantees of a market share.

These are not, however, the only elements that must be taken into account. It is also important to have a suitable transportation and storage infrastructure and a streamlined shipping system so that our negotiators can bargain calmly and without the millstone of onerous operating costs. The country's shortcomings in both these areas are well-known and have been commented on in these columns. It bears remembering, therefore, that in order for this year's sales to exceed last year's, what is needed in addition to government efforts is the active involvement of the private sector, without whose cooperation the proposed goals cannot be achieved.

Cordoba Increases Wheat Acreage

Buenos Aires CLARIN in Spanish 10 Mar 84 p 20

[Text] Cordoba (from our bureau)--The governor of the province, Dr Eduardo Cesar Angeloz, made public the outlines of the comprehensive crop area expansion program known as "Cordoba towards 1 million hectares" during a ceremony in which an agreement was signed with the Energy Secretariat under which fuel will be supplied to the growers who will be expanding their acreage for the upcoming fine-grain crop.

Energy Secretary Dr Conrado Hugo Storani explained that YPF [Government Oil Deposits] would supply the necessary fuels and lubricants, which would be paid for at harvest time. Similar plans, he said, will be undertaken in other provinces, "because the best way to generate more exportable surpluses and to pay off foreign debts is to provide growers with the elements they need."

Meanwhile, Governor Angeloz noted that 740,000 hectares of wheat were planted during the previous season in Cordoba and that to reach a million this time a line of credit will be made available as of April to growers who own or lease their land (whether permanently or by crop) and who farm it themselves.

Amount

The credit line is for 100 percent of the investment in purchases of seed (wheat, linseed, rye, feeding barley, malting barley and oats) to expand the crop area, up to a maximum of 500 hectares per recipient and 120 kilograms per hectare.

The recipients will have 180 days, extendible by 30 days until the harvesting of the crop, to pay off the loan, which will carry no finance costs whatsoever.

Angeloz contended that the "Cordoba towards a million hectares" program "represents a major effort for the province, but we are undertaking it in the conviction that the country will possess neither wealth nor foreign exchange unless we extend our agricultural frontiers. We are thus taking this first step to help the growers who have steadfastly withstood the pounding by the 'financial fatherland.'"

Cordoba Gets New Silo

Buenos Aires LA PRENSA in Spanish 23 Mar 84 p 10

[Text] Public Works and Services Minister Roque Carranza attended the inauguration of a grain elevator in Huinca Renanco in the province of Cordoba. It has an initial storage capacity of 10,000 tons. The facility can take in grain from trucks and railway cars and store it at a rate of 250 tons an hour, ship it out at the same speed, dry 80 tons a day and package the grain, all at the same time. At the critical juncture when the grain is arriving, in other words, during harvest time, its storage capacity rises to 500 tons an hour, and it can simultaneously handle incoming grain from truck and railway car hoppers; it can also handle outgoing grain bound for export this way.

Carranza will also inaugurate the support infrastructure of the elevator, which will be operated by the National Grain Board; the infrastructure consists of truck yards, a railway siding, administrative offices and other installations.

Carranza, an engineer by profession, will be accompanied by Pedro Roberto Echarte, an undersecretary in his ministry, and by executive officers of Grain Elevator Construction, who were in charge of the project, which was built with Argentine technology and designs.

Bahia Blanca Port Expansion

Buenos Aires LA NACION in Spanish 23 Mar 84 p 17

[Text] The advanced preliminary engineering design for the remodeling of the port of Bahia Blanca was made public today. The design was drafted by a group of local firms that are working together with the Soviet state-run enterprise Technostroyexport.

Engineers Erwin Swoboda, Jose Pena, Guillermo Olivera, Juan C. Roca and Dr Alfredo Goti furnished details on the project at a press conference.

The Soviet enterprise is offering quotes for the construction work and supplies and is making available a loan under the agreement whereby the USSR will provide Argentina with machinery and equipment. The loan carries a 6-percent annual interest rate and up to a 10-year payback period, and it will defray the costs of the imports and services from the Soviet Union.

The guiding approach to this project is to utilize the existing buildings and electromechanical facilities as much as possible, while modernizing and expanding them with the latest technology and operational procedures so that the port's normal operations are not interfered with.

The timetable calls for the completion of the port, grain, railway and road facilities in 24 months.

The port's shipping capacity is scheduled to rise from 4 million to 17 million tons and possibly to 21 million.

The project is designed to promote the expansion of crop area, to cut grain losses due to inadequate storage and transportation, to reduce ocean and land transportation costs and to permit the use of heavier-draft vessels (45 feet), which will cut freight charges. Also, smoother unloading operations will decrease turnaround time and boost the railway and truck transport capacity.

The capacity of the silos is expected to increase by 208,000 tons when the facilities are at peak operating efficiency. The facilities will be completely automated; their control and monitoring will be centralized, and the necessary data will be computerized.

Loans for Silos, Port

Buenos Aires LA NACION in Spanish 20 Mar 84 p 16

[Text] The Inter-American Development Bank, the World Bank and the Eximbank will extend our country \$2.3 billion in loans in 1984 and 1985 to help it undertake major economic expansion projects. Roberto Echarte, an undersecretary of public works and services, told Professional Council of Engineering executives that the necessary documentation for the development programs would be completed this week.

The loans in question "are not under the umbrella of the IMF," inasmuch as they are "soft loans" carrying a long payback period and a low interest rate. In addition, they will demand minimal Treasury involvement because they will defray up to 70 percent of the cost of the various projects.

Planning

The function of the Public Works and Services Ministry will be strictly one of planning, budget assessment and project monitoring, while specialized agencies and private firms will play a preponderant role in the construction of the various projects.

Echarte told the engineers that imported inputs would be kept to a minimum or to a low value-added, while domestic technology would be assured a prominent place.

The Projects

Among the projects for which our country will receive loans with favorable terms are the Yacireta and Piedra del Aguila Dam, silo and grain elevator construction and the dredging of the port of Bahia Blanca. On this point Echarte noted that "whether or not we have foreign financial backing, the Bahia Blanca ocean terminal will be made suitable for 24-hour a day operation, not just during high tide, as is the case now."

Less Corn Planted

Buenos Aires LA PRENSA in Spanish 17 Mar 84 p 8

[Text] Some 70,000 fewer hectares of corn were planted this season than last, according to the National Service of Rural Economy and Sociology.

The government agency disclosed that some 3.4 million hectares were planted this season, 5.9 percent less than the average of the past 5 years and 6 percent less than the 10-year average.

The declines in crop area were in Entre Rios, down 38.1 percent; Santa Fe, down 11.1 percent; La Pampa, down 10.7 percent; Cordoba, down 1.7 percent, and the rest of the growing provinces, down 5.4 percent.

8743

CSO: 3348/347

COMMUNIST PARTY DOCUMENT ADVOCATES PSYCHOLOGICAL WARFARE

Santiago TERCERA DE LA HORA in Spanish 4 Apr 84 p 8

[Text] The Communist Party has finally decided to initiate "revolutionary psychological warfare." This was disclosed in a document seized by the security services, stating that the action will be aimed at "generating feelings of uneasiness, irritation, worry and fear, attributable to the regime and Pinochet. For example, bombs set in the Metro, dynamiting sewer and drainage systems, attacking work centers which cause unemployment, burning homes of opposition leaders, permanent blackouts in districts, especially the alienated districts, producing chaos in the telephones, water, gas and postal service, etc."

The document is entitled "The New Political Conditions and the New Forms of Struggle," and in its subtitle it warns: "With righteousness and force we shall conquer!"

It declares: "Although the effort expended by the masses in the political struggle against fascism has been tremendously courageous, we must be aware that the level and quality attained are not sufficient to overthrow the dictatorship. Pinochet feels secure with the force of arms and the majority support given him by women, the middle class, professionals and proletarians benefiting from the social plan."

Internal Use

The report is addressed to PC cells and commissions, and notes that its use will be "strictly internal."

It observes: "There is agreement that we are witnessing a new phase in the masses' struggle, with confrontations that are increasingly resolute, violent and determined, with a desire to forge ahead, overthrowing all obstacles that stand in the path to liberty, and deploying all types of action in which material violence emerges as a legitimate expedient for the people in their offensive against the dictatorship."

"The action must strike at the state of mind among the intimidated public and, in the form of psychological warfare, bring about the destabilization of the

enemy's forces. Psychological warfare is a supplement to political warfare. It is an attempt to lead the people from their state of hatred to a state of fear for the fascists, and of hopelessness regarding their rulers; and the popular movement, from its state of initial fear of fascism to a state of hatred for fascism and of confidence in a democratic, revolutionary solution."

Three Forms

The Communist Party cites three basic forms of psychological warfare: "1. white propaganda, or white psychological pressure, wherein the disseminator overtly assumes the guidance for the action. Its goal is to demonstrate ability, determination and rancor toward the enemy. 2. yellow propaganda, or yellow psychological pressure, wherein the guide is expressly vague and unidentifiable. It is aimed at the entire public, and is the principal form for generating chaos and anarchy. Its more concrete purposes are to bring about uneasiness and irritation among the public against the government; upsets, anxiety and alarm among the enemy forces; as well as doubt and confusion among the vacillating forces. And, 3. black propaganda, or black psychological pressure, wherein the guide is apocryphal, and attributed to the enemy. There is an attempt to load the messages and the very action carried out by the enemy with such a degree of savagery, stupidity, folly, thoughtlessness, absurdity, etc., that it becomes isolated from its own forces of support and on bad terms with the public. Its goals are to cause doubt and confusion, repudiation and isolation, internal division and depression."

The Population

"As for the population, in general, they must proceed toward forms of civil resistance, refusing to pay taxes, and light, water and telephone bills; they must cause agitation in hospitals and polyclinics, by seizing premises; they must demand free enrollment and education for their children, confiscate land and invade offices of the SERVIU, hold up supermarkets, make an attack upon the life of an opposition union leader, and set firebombs in private residences, parishes, trade unions, mothers' centers and community headquarters. In addition, among the population forms of organization must be developed that will impede, or at least hamper the searches and operations organized by the repressive services, using 'miguelitos'; refusing to open the doors of houses, and forcing them to break them open, as the Vicariate of Solidarity indicates. Organized forms involving masses must be developed for the people's self-defense against the repression and the informing. All the rank and file organizations must be involved in this, as well as the Church and DC [Christian Democratic movement]."

The Press

The Communist document recommends: "Every party agency must have available a group of comrades capable of preparing letters, articles, etc., to be sent to the press, which will turn the campaign against terrorism around, directing

it toward the corruption of the regime, its failures and its mistakes. Then it recommends "dynamite attacks on public utility facilities, time bombs in parishes and youth centers, and firebombs in factories with a large contingent of workers."

It also recommends the locating of headquarters of the national guard, the military and the CNI [National Intelligence Center], for future attacks, as well as the indication of the number of men to be used in each one of the latter.

2909

CSO: 3348/370

NATIONAL STATISTICS INSTITUTE REPORT ON UNEMPLOYMENT

Santiago EL MERCURIO in Spanish 6 Apr 84 p C-5

[Text] According to a report from the chief of INE's [National Institute of Statistics] Department of Labor Statistics, Hector Kappes, the unemployment rate on the national level increased to an average of 15 percent during the moving quarter between December 1983 and February 1984.

During the previous period, from November 1983 to January of this year, the unemployment rate in the country was 14.7 percent.

This increase of 0.3 points means an increment of 17,000 persons in the number of unemployed.

In the Metropolitan Region, the unemployment index rose from 17.1 percent in the period November-January to 17.4 percent during that of December-February.

Moreover, between January and February of this year, the number of beneficiaries of the Minimal Employment Plan (PEM) and the Job Program for Heads of Households (POJH) declined by 98,156 persons.

The number of PEM beneficiaries throughout the entire country dropped from 250,649 in January to 175,790 in February; whereas the number of those registered in the POJH dropped from 201,573 to 178,276 persons.

The greatest decline was noted in the Metropolitan Region, where those registered in the PEM dropped from 67,160 in January to 8,194 in February; and, in the POJH, from 145,441 to 130,148 beneficiaries.

Kappes observed that the increase in unemployment on the national level may be attributed to regional and seasonal factors.

The 15 percent unemployment is broken down into 11.7 percent jobless and 3.3 percent individuals seeking work for the first time.

Situation Based on Regions

The official explained that increments in the unemployment rate were noted in seven regions of the country: Third Region, from 6 to 8.3 percent; Fifth

Region, from 16.9 to 17.9 percent; Sixth Region, from 12.8 to 13.6 percent; Seventh Region, from 12.3 to 12.8 percent; Ninth Region, from 11.8 to 12.4 percent; Eleventh Region, from 14.3 to 14.7 percent; Twelfth Region, from 11.8 to 13.2 percent; and Metropolitan Area, from 17.1 to 17.4 percent.

The unemployment rate dropped in the following areas: First Region, from 18 to 17.5 percent; Second Region, from 16.3 to 15.2 percent; Fourth Region, from 17.2 to 17 percent; and Tenth Region, from 11.2 to 10.6 percent.

In the Eighth Region, the unemployment level remained at 9.7 percent.

Work Force

The estimated population of the country between December and February was 11,613,900, of which number 3,706,000 persons were incorporated into the work force.

During the period, there were 3,151,500 persons employed, and 554,500 unemployed.

There were 4,245,800 persons outside the work force.

In the Metropolitan Region there are 1,270,900 individuals employed, and 268,600 unemployed.

Unemployed Based on Activity

Based on branches of economic activity, the 554,500 unemployed in the country are broken down as follows: 34,400 in agriculture; 7,500 in mines and quarries; 84,900 in industries; 3,100 in electricity, gas and water activity; 49,900 in construction; 66,500 in commerce; 30,800 in transportation; 17,000 in financial services; 137,000 in communal, social and personal services; 700 in not clearly specified activities; and 122,700 persons seeking work for the first time.

In the Metropolitan Region, of the 268,600 unemployed, 71,000 are situated in communal, social and personal services activity; 53,300 are individuals seeking work for the first time; 59,600 are in the industrial sector; 34,800 are in the commercial sector; 21,200 are in construction; and 13,500 are in transportation.

Salaries

Moreover, Kappes reported that the index on salaries between January 1983 and January of this year showed an increase of 0.9 percent in real terms.

The figure is the result of a nominal increase of 22.2 percent during the period, with the inflation for those 12 months, which was 21.1 percent, deducted.

Based on occupational groups, there occurred a real increase in the salaries of administrators and managers (3 percent); professionals and technicians (1.1 percent); specialized employees (3 percent); and specialized workers (4.4 percent).

There was also a decline, in real terms, in the salaries of administrative workers (-0.3 percent); salespeople (-0.3 percent); non-specialized workers (-1.6 percent); and personal service workers (-1 percent).

Based on economic activity, the index shows a real increase for 12 months amounting to 2.6 percent in mining; 0.1 percent in electricity, gas and water; 1.7 percent in transportation and communications; and 3.2 percent in communal and social services.

A real reduction was shown in the salaries of the manufacturing industry (-0.6 percent); construction (-1.7 percent); commerce, restaurants and hotels (-4.4 percent); and financial and insurance services (-0.9 percent).

2909

CSO: 3348/370

ECONOMY BESET BY PROBLEMS DESPITE GROWTH

Havana VERDE OLIVO in Spanish 26 Jan 84 pp 8-10

[Article by Luis Lopez]

[Text] Our country, which raised its overall social product by 5 percent last year, has begun 1984 with the holding of a meeting of a party aktiv at which the factors prejudicing and limiting economic efficiency were analyzed.

What might at first glance appear to be a contradiction is a demonstration that the people are far from being satisfied with the initial achievements and know that their possibilities and aspirations can be realized only by continuing to follow the only possible path in the existing circumstances: To increase efficiency and savings.

There is no doubt that the effort made, as a consequence of the appeals of Commander-in-Chief Fidel Castro and the Central Committee of the party at its 6th plenary session, evoked an exemplary response, which made it possible for 1983 to be characterized as the most efficient year yet.

Nevertheless, we have not yet reached the optimum levels: as of September last, the peso cost of production in the profitable enterprises had fallen 2.4 percent as compared with 1982; but in the unprofitable ones it was 5.4 percent higher for the same period, which shows the need of beginning to resolve the problems that impede greater efficiency.

For this reason, the more than 500 party militants taking part in the aktiv focussed their interventions and recommendations on such important factors as the underutilization of existing capacity and production potential, the control of basic means, rotation and inventories, the rational use of the workforce and the suitable use of financial resources and the investment process, among other aspects related to increased profitability.

The subject of utilization of the workforce and wages occupied the five committees (Agroindustrial Activities, Agriculture and Stockraising, Industry, Construction and Transportation and Communications) for a good part of the time. The problems centered around improved utilization of the most important element of the productive forces are numerous and include defective organization of the workforce; demand; incorrect application of regulations; material links and incentives; staff increases, etc.

An example is found in the sugar agroindustrial sector, in which, during the period between harvests, the industry has workers with nothing to do, while the peak moment is reached in the growing of cane, owing to the attention that the plant requires at this time.

The policy of transferring workers from refining to growing seems not to have been fully applied recently at the basic levels, which is why this decisive force has not been made the most of to produce superior results in the harvesting.

Also working against this end is the defective analysis of the number of workers needed for repairs, as well as the failure to make supplies available in time and thus avoid the unnecessary prolongation of the period of repairs.

These and other complaints relating to our principal industry must be resolved soon, given the fact that more than 20 percent of the increase foreseen for the present year is concentrated in this sector.

Further underutilization of human resources results from the increase in administrative personnel, who sometimes have work for only part of the year. Several audits in this regard showed that some enterprises have staffs of which 50 percent are not directly involved in production, a factor which considerably increases production costs.

Efforts have been made in this respect that are worth imitating, as, for example, the experience of Guantanamo's only provincial agroindustrial complex, which made it possible to eliminate hundreds of administrative positions, and the experience of the union of enterprises in the sugar branch in Pinar del Rio, where more than 1,000 jobs were eliminated.

The creation of permanent production brigades in the agriculture and stock-raising sector is an example of how efficiency can be achieved. Such institutions help raise production and productivity, enable managerial structures to become simpler and more flexible and facilitate the application of a much more comprehensive system of wage incentives, as well as the Domestic Economic Measurement.

Under this system, the brigade is given a plan outlining the fundamental tasks required to accomplish production, as well as the costs that will be incurred, such as the wage base, labor needed for production, material costs, etc.

Application of the Domestic Economic Measurement in itself justifies the application of this structure, since it assures comparison of expenses and profitability and compels the systematic comparison of outgoes with the plan.

Important audits were carried out on utilization of installed capacity, control of basic means, rotation and inventories--all basic links in the economic chain.

The vast majority of the proposals put forward here were made by workers, party and trade union organizations, which demonstrates the degree of maturity acquired by our working class with respect to economic affairs.

The control of basic means, methods of rotation and idle inventories was a task initiated from the very moment when the Economic Direction and Planification System began to be implemented. No doubt, the enterprises' economy continues to be prejudiced by those factors, notwithstanding the July 1980 promulgation by the Executive Committee of the Ministerial Council of Decree 68, facilitating the sale of idle inventories accumulated in previous years.

Some units showed negligence in failing to declare such accumulations or created others that were not justified from the economic point of view, which is why financial difficulties have arisen.

This lack of discipline not only entails the disadvantages indicated but also affects the economy generally, since these raw materials or products lead to the importation of items already found in the country or fail to add to the goods available for sale, as the case may be.

Those participating in the aktiv recommended the carrying out of a campaign designed to improve the control of inventories, seeing the matter as part of the whole and considering the importance that an organized register of means and resources has for the operation of the enterprise.

Every idle machine or piece of equipment, all installed capacity that is not used to the maximum, represents an unquestionable loss to the country--in many cases of foreign exchange--without the state's being able to recover the cost of investment within the stipulated time.

In these moments when new investments are being limited to a minimum and emphasis is being put on ending those being carried out according to their priority, making the most of installed capacity and available productive resources should inevitably be the watchword.

This is shown by the fact that more than 50 percent of the total increase in production foreseen for 1984 is based on increased productivity by the workforce rather than on increased capacity.

At a school of economic education, as this party aktiv became, there could not be a lack of analysis on the possibilities still existing for saving all kinds of resources.

In every audit, the subject was implicit in one form or another. The representatives of the sugar refining sector seemed not to be in agreement with the reduction in petroleum costs in the production of raw sugar, which decreased to 23,000 tons in 1983. They transmitted their experiences and ideas with a view to continuing the decline in the standard consumption of this important source of energy and foreign exchange.

Other problems also arose, such as the waste of coking coal, an imported product used by the waterpump manufacturing enterprise of Ciego de Avila, whose losses fluctuate between 30-40 percent, the loss of fertilizers during transport due to inadequate packing and the recovery and production of spare parts.

The recently concluded party aktiv has begun to bear fruit. The critical spirit and deep analysis which all factors bearing on the improvement efficiency were examined indicated that a large part of these problems--many of which are not new--have their solution in the very base in which they are generated, which is why the worker's permanent vigilance and attention to the economic indicators, together with the work of party and trade union organizations, will be the pillars on which our economy counts to continue on its successful way.

Every one of the analyses and recommendations put forward in the plenary and working groups will be of inestimable value to the leaders of the party, government and state, who will know how to extract from them the lessons learned and take the relevant measures.

It is time to talk as present circumstances demand. From this moment forward, profitability will be part of the activity of every man and woman at his or her place of work and will be the thermometer by which we measure the degree of efficiency existing in every company and in each one of us.

As comrade Jose R. Machado Ventura pointed out in drawing conclusions from the event, "to work in or direct an enterprise that, owing to bad management, has to be subsidized by the state budget should be considered practically a dishonor..."

12336

CSO: 3248/520

WORKER DISHONESTY IN SUGAR HARVEST DISCUSSED

Havana TRABAJADORES in Spanish 10 Mar 84 p 1

[Article by Eraclides Barrero Perez: "Will It Become Necessary To Seek a Law To Compel the Application of the Sugar Harvest Regulations?"]

[Text] The question which serves as the title of this article comes as a logical consequence of the analysis recently conducted at the 13th Meeting of the National Committee of the National Trade Union of Sugar Industry Workers [SNTA] held in Guantanamo. At this meeting SNTA leaders called again on the management of agroindustrial enterprises to apply the sugar harvest regulations against violations of canecutting standards.

We use the word "again" because the same thing was proposed recently at all trade union meetings held in January. Lack of care and the absence of measures against violators are to blame for the large quantities of foreign matter, such as straw, earth, and sugarcane tassels, which are sent with the sugarcane to the sugar mill. The reason for the index of cane lost in the canefields of many provinces being so high is attributable, similarly, to the almost complete absence of checks and the passivity shown when violations are detected.

The first, the impurities, perceptibly affect sugarcane yields; the second, the sugarcane lost in the canefields and roads, requires the milling of more cane than originally planned.

The most objective and categorical explanation of how to attack this problem was provided at the meeting in Guantanamo by Manuel Rodriguez, secretary general of the SNTA in Matanzas, who explained that over there, thanks to a systematic checkup method and the application of corresponding penalties for negligence, the quality of the cutting and of the raw material was considerably improved in every regard.

"This has been repeated hundreds of times and there has been no reaction from many managements. Will it be necessary to make a more forceful call for the application of the sugar harvest regulations?" he asked.

What could really be interpreted from this, the union leader asked, was whether a "law" would have to be drafted that would require some to apply the law,

inasmuch as the sugar harvest regulations outline the responsibility for work quality on everyone, from the director down to the district and lot chiefs, the canecutters and loaders, to the haulers. In every case, after verification, initial steps are taken, such as the suspension of bonus payments for the overfulfillment of goals. But in other cases, in which they even prefer to lose it and cut more cane because of overfulfillment rewards, in such cases, resolution no 32 is applicable for workers and no 36 is applicable for the management responsible.

It has been shown that there can be no efficiency without demanding it. Proof of this was the disqualification of the Australia and the Uruguay sugar mills in the first sugar harvest checkup. Both are mills with prestigious tradition, but they neglected quality. In both there has been a vigorous reaction. Before the meeting, the Uruguay mill was most deficient in this respect of all the worst-ten lists; now it is no longer among the worst ten. Even Sancti Spiritus Province has substantially improved after the criticism to which it was subjected publicly.

It is true that excessive moisture complicates the effort to achieve quality raw material all the more, but it has been shown that the rain cannot be used as justification in every case. The Noel Fernandez sugar mill was given as an example in terms of technical standards using burned sugarcane (the sugarcane is burned specifically to eliminate impurities) and with an index of 2.5 percent, the mill obtained an index of 7.48 percent.

SNTA Secretary General Luis Martell Rosa pointed out that sugar industry leaders in Camaguey should have a very serious discussion on this matter.

It is known that a single sloppy canecutter among 47 good ones can make a brigade's index appear to be high; that one operator among hundreds can be detrimental to a province; that sugar harvest personnel are generally responsible and take their work seriously, and that this is a case of an indolent minority. It is even known that good workers of high merit and prestige, carried away with overzealousness to improve their productivity and even imbued with an eagerness to overstock the sugar mill, can lapse into weaknesses insofar as quality is concerned. What the sugar industry leaders once again called for at the meeting of their national committee is that a system of checks be established. Only in this way can a full response be made to the principal slogan of "Making the 25th Anniversary sugar harvest the most efficient of all."

12674

CSO: 3248/524

PRODUCTION IN COMPUTER FIELD VERY LOW FOR 1983

Havana TRABAJADORES in Spanish 12 Mar 84 p 5

[Article by Graciela Arbolay]

[Text] The highly unsatisfactory results obtained in computer production in 1983 was the subject of deliberation and analysis during the work evaluation plenary meeting of the National Institute for Automated Systems and Computer Technology (INSATC), held at the headquarters of the Central Planning Board [JUCEPLAN] in this city.

Humberto Perez, alternate member of the Cuban Communist Party Central Committee Politburo and minister president of JUCEPLAN pointed out in his remarks that despite the strengthening of the leadership role of the organization and the gains made in the data processing branch and in research and development, there are significant areas of the operation where results have not been the best.

In this regard, he added that only 39 percent of the goal had been achieved in minicomputer production, 29 percent of the goal had been attained in the production of displays, while 27 percent had been obtained in the production of calculators.

The alternate member of the Politburo said that it was necessary to examine the areas in which the work is not being done well and to begin an immediate review of the internal causes which affected results in 1983, given the complexity and dynamic nature of the operation. He said that in 1984, INSATC hopes to produce some 1,700 displays and 80 minicomputers.

"A point of cardinal importance," he pointed out, "is the attention that must be given to the definitive preparation of the proposed state and government policy applicable to automated control systems and computer technology. Measures must be taken to enable INSATC to play its leadership role in directing, executing and controlling that policy."

During the meeting, which was also chaired by SNTAP [National Trade Union of Business Workers] Secretary General Oscar Suarez and by INSATC President Daniel Legra, the best work centers for 1983 were announced. They were the Pinar del Rio and Villa Clara enterprises; and a budgeted unit, the Bureau of Design.

Among the most outstanding workers for the period are Jorge Gomez, Carlos Cisneros, Haydee Acosta, and Jorge Ibarra, the most outstanding youth.

UNIVERSALITY OF SOCIALIST CULTURE PRAISED BY MINISTER

Havana GRANMA in Spanish 26 Mar 84 p 2

[Address by Minister of Culture Armando Hart at the closing session of the 12th Meeting of Filmmakers of Socialist Nations on 23 March 1984 at the Convention Palace]

[Excerpts] Three days of constant and profitable work has enabled us to end this event with an optimistic view of the future, although persuaded that more than a little effort is required of us in the ideological-cultural confrontation, accepted as one of the tasks of the socialist and progressive film sector as a whole.

Socialism expects of us a universal orientation in the expression of our ideas and our aesthetic and human aspirations. Never before in history has the possibility existed of achieving greater diversity and richness in artistic expression. If we analyze the concept of universality and diversity as rigorously as Marxism-Leninism demands that we do, we will find a way to approach problems in art, the films included, and in the culture of our day in general.

It is not a question of theoretical discussion with a view to the future. It is a question of a problem the analysis of which cannot be postponed because, among other reasons, it is a part of the enemy's ideological arsenal. In accusing us hypocritically and dogmatically of reducing artistic and intellectual expression to formulas and diagrams, the enemy turns implicitly or explicitly to the notions of universality and diversity. They, the inventors of artistic recipes, advertising formulas and cultural manipulation, accuse us of being limited by such narrow frameworks. Thus it is our duty to define, in theory and practice, what we mean by "universality" and "diversity," thus showing that our vision, and not theirs, is truly that which is consistent with the humanism inherent in all renovating, genuine and progressive artistic expression.

The universality of which the reactionaries speak involves domination by the old colonial mother countries, and imposition by them on the rest of the peoples of their schemes of values, burdened as they are with dehumanization and ideas contrary to the aspirations for national and social redemption.

The diversity which they stress involves trying to impose racist, imperialist and exploitative ideas and claiming that they too have a right to participate

within the framework of ideological-cultural diversity. Ideological plurality leads our enemies to claim for themselves the right to crime, exploitation, discrimination, the perpetuation of misery and foreign intervention in the discussion of ideas. For those of us who are communists there is no ideological plurality where there is foreign intervention and exploitation. We condemn these people in principle and we deny them the right to participate in the cultural debate.

Our socialist universality is radically different, because it is, and the redundancy is justified, truly universal. In other words it covers the rights, aspirations and interests of all mankind. Therefore it is based on the denial of exploitation, poverty and injustice, and the most categorical assertion of the full dignity of man. Our diversity is so broad it includes the human right to wage the struggle for genuine happiness and to combat the exploitation of man by man.

Universality for All Peoples

We as socialists aspire to a universality which covers all peoples without exception, and which to be truly universal must be based on the most categorical rejection of the exploitation of one nation by another, one class by another, one man by another. In combatting the exploitation of man by man and by rejecting the colonial and imperialist system, we are asserting a principle of universality such as has never been known in such breadth in history.

Life has demonstrated that, on the basis of this notion, culture and art can develop in all their diversity. A reliable example, although of course bourgeois, imperialist propaganda uses every available means to try to distort and conceal it, is the extraordinary development of the diverse national cultures in the USSR which has made the Soviet culture a truly multinational one. We Latin American socialists who also aspire to the development of a powerful multinational culture within the cultural unity of our America are able to appreciate what this conquest, one in only a few decades of revolutionary transformation, means. However, we communists must analyze certain contradictions to which it is necessary to seek an effective solution. Our ideology is internationalist. However, the historical process dictated that we undertake socialist revolution within a specific group of nations guided, as they had inevitably to be, by cultural traditions and national customs and idiosyncracies. Based on principle, our ideas and our relationships with the world cannot be based on geographic frontiers nor can they be reduced to narrow nationalism, but must be oriented toward the international principles of socialism. The assertion of nationality and the support we have had in the development of our cultures constitute something extraordinarily positive and enriching. But along with this, we must proceed with the constant search for cultural traditions and the best in the democratic and progressive culture of all of the peoples of the world without exception. I repeat, without exception.

The problem lies in the fact that we must do so in strict consistency with and inspired by the principles of scientific socialism.

You comrades who are responsible for filmmaking in socialist countries are in a nation which has broken with the schemes of geographic determinism, and for the first time in history, raised triumphant the banners of Marxism-Leninism in the heart of the Western hemisphere. In fact, this small island is the first country in the world to carry out its socialist revolution within the direct sphere of influence of U.S. imperialism. And this geographic and political fact dictates certain characteristics of the Cuban cultural movement and offers the socialist camp as a whole a unique opportunity which never before existed: that of observing cultural problems, and artistic ones in particular, from the revolutionary point of view we all share, and from the perspective of this side of the world. If we can make a contribution, modest though it may be, to the analysis of culture within the context of socialism, we will do so thanks to the novel fact that we are located here in this hemisphere, of which, like the rest of Latin America and the Caribbean, we are an inseparable part.

Geographically and culturally, we are in the West. What does this mean in reality? The terms "West" and "Western culture" have acquired an aggressive political connotation in the modern world. This is the result of a lengthy history, which it would be well to study. At the outset, and in an attempt to clarify concepts, let us stress two important facts. First, that those who forged the philosophical, economic and political theory of the workers class, that is to say of scientific socialism, emerged from peoples situated in Western Europe, and their ideas represent the consequence of the intellectual development of these peoples at a given moment in history. Secondly, Cuba is a socialist country in the Western hemisphere which will never cease to be that, nor will it ever cease to be socialist. Thus when we assimilate the best and most valuable parts of the cultural heritage of the Western countries, we are doing nothing more than assimilating a part of our tradition and being consistent with a genuinely socialist cultural policy. We do so, naturally, from the Marxist-Leninist point of view, since it is for us on the highest level of humanist culture, without isolating ourselves from our cultural roots of Hispanic and African origins, but without accepting as a whole a legacy which we can only call ours to the extent that we subject it to a profound critical and dialectical analysis, so that it can be incorporated organically in our culture. To assimilate the culture of peoples situated in the West without the analysis of historical materialism would basically be the equivalent of not assimilating it.

Isolation Would Mean Denying Socialism

From the very moment the sense of nationality emerged in a Cuba still subject to colonial domination, there was also born among us that aspiration toward the universality which can link us, through our Spanish and African roots, with the rest of the Caribbean and Latin America, and, naturally, the rest of the world. What the triumph of the socialist revolution, that is to say an ideology, a political and human projection which is by definition internationalist, and which reflects the highest aspirations of the workers class and of laboring mankind, meant to us in this connection will therefore be understood. The consistent practice of proletarian internationalism did nothing but strengthen in us the conviction, already set forth by Martí, that

our greater fatherland is mankind. And it has also strengthened the certainty--given to us by our membership in a world of great cultural mixture, and because we ourselves are the cultural and racial product of blending--and our conviction that to isolate ourselves in art would mean denying our national roots and limiting our potential for artistic and cultural development. To isolate ourselves in art would be to reject socialism in art and culture.

Thus although it is true that we are in the West and that it is here in the West that we are waging our political and cultural battle, blockaded and constantly threatened by the most powerful empire on earth, it is equally true that this does not mean that we should enclose ourselves within artificial frontiers isolating us from the rest of the world. Quite the contrary, it leads us instead to reject this paternalistic and colonial scheme which the reactionary classes in the West are attempting to impose as a universal model of culture.

The modern world is one world. What happens in one part of it today affects the other countries on the planet either directly or indirectly. Marti, during the preparations for our last war of independence, stated that he was doing so in order to prevent the United States, through the possession of Cuba, Puerto Rico and the other Antilles, from striking the balance of America "with this additional strength." "An error in Cuba," Marti said at that time, "would be an error for modern mankind."

We could say the same, and we now do, concerning Nicaragua, El Salvador, all of Central America. An error by imperialism in Central America today--the belief that it can intervene in El Salvador or Nicaragua for example with impunity, as it has just done in Grenada--would be an error of colossal and unpredictable proportions, the consequences of which might be catastrophic to world peace. It is necessary to become aware of such threats as these, such dangers as these, and to contribute to making the world public aware of them. We can neither allow ourselves to be provoked nor shrug our shoulders. We cannot think that we are closer or farther from the danger when what is at stake is the central problem of our era, the option of war or peace, in other words the life or death of the human species, the survival of man on earth.

What is our responsibility as men of socialist culture in connection with this crucial problem? Those who promote the armaments race, those who think that they can survive a nuclear catastrophe because they have never even seen conventional bombs fall on their territory are, of course, the great enemies of culture. War is the negation of culture, because it is the absolute affirmation of barbarism. The armaments race is already a frontal challenge to culture, and to become aware of the cultural danger it involves is therefore a cultural duty of the greatest importance. A policy of principle in defense of the cause of peace is, therefore, a policy which can win allies among all the peoples of the world, including of course the people of the U.S. themselves.

Millions of men and women of various creeds and ideologies but motivated by a profound desire for peace without a doubt constitute a powerful force which we must reach, a force with which we, the socialist countries and men of

socialist culture, must establish a continuing dialogue, rising above government barriers, propaganda and the warmongering hysteria of government circles. We must make clear our profound community of interests, since our most intimate aspirations are shared by all of civilized mankind.

What therefore is the role which falls to us as socialist intellectuals in this battle for peace, that is to say for culture and against fascism and barbarism? It is the defense of humanism and the denunciation of everything which conspires against the development of human faculties. This should be a relatively easy task, were it not for the fact that powerful class interests and obsolete privileges in a world which aspires to equality are opposing it in systematic fashion, and by every means within their reach, including dissimulation, slander, lies and ideological diversion, in a word, the most shameful manipulation. The ideologues of international reaction have divided the world into "good" and "evil," in the most simplistic of melodramas, and they use every resource from the coarsest to the most subtle in an attempt to foist upon us--the communists, socialists, progressives, democrats, those struggling for a new society and a more just international order--the role of the "bad guys," or more precisely, the "evil ones." With this type of thinking they are seeking to make the world into a mass of automatons, reacting on the basis of reflexes conditioned to serve their interests, in other words the interests of the monopolies and the multinational companies.

What is really happening? What is happening, comrades, is that the spectre of communism, at the end of the 20th century, is to be found not only in the world of which Marx spoke, but on all continents.

The great trusts of the bourgeois cultural industry and the mass media which they control are undertaking to establish the outlines and ideological nature of communism to suit themselves, in order to present them in images which also travel the world in distorted form. The upper bourgeois citizen sketches himself and presents this image as if it were that of us, the communists. He propagates it throughout the world, thus distorting reality in the minds of men. It must be realized that the upper bourgeoisie has been and still is very efficient in distorting reality in images and presenting things consistent with its ideological interests. And it must be understood that the use made of language and the technology serving as the basis of the art, and the objective fact that they have the great resources for advertising and publicizing culture in the so-called "West," have been and are at play in this efficiency.

The multinational agencies involved in news and the cultural industry are now treating communism as a spectre shaped and molded consistent with their interests, in an effort to paralyze the minds and transforming energies of a human race which can only liberate its moral and intellectual energies precisely to the extent that it ceases to believe in phantoms and asserts its own capacity to think and create.

A Real Cultural Alternative Would Drive This Society Mad

But these multinational agencies are typically contemptuous of the intelligence and the sensitivity of the peoples. This same contempt and manipulation

can be seen in the majority of the products of the so-called "cultural industry." For example, films. The extent of the cynicism achieved by this "industry" in the use of gratuitous violence, pornography, the exaltation of the most primitive instincts of man is incredible. Naturally, this is no accident. These films, these television series, these videocassettes of which there is such an abundance in the capitalist societies are an unmistakeable sign of the cultural decadence of the upper bourgeoisie. They show the most brutal types of conduct toward a degraded human being, because in their way they reveal the profound corruption of the system and because in addition they cannot offer any credible humanized reality, a real cultural alternative, to society as a whole. This is because to offer a true cultural and humanistic alternative within bourgeois society and its opulence would mean driving that society insane.

The human phenomena presented in subhuman form--a characteristic of the dominant filmmaking styles in contemporary bourgeois society--are yet another symptom of the cultural decadence of the upper bourgeoisie and the reflection of a society dominated by the military-industrial complex, the great mass media and all of those who regard the spectator as a mere tool of their economic, ideological and even electoral interests.

A mere objective description of this society would suffice to condemn the reactionary classes of the so-called "West." This "West" is not our West, of course, and we reject it most firmly, but without falling into the error of generalization. Along with this bourgeois West, greedy and inhuman, there is another whose values and aspirations coincide with ours, in the search for a better world, in the development of a material and spiritual culture placed in the service of man, and not his destruction or moral degradation. We must systematically combat the rotten and corrupt West, but we do not fail to extend our hand to and unite our efforts with the West of the peoples, of the workers class, of the progressive intellectuals, of all those who aspire to a life of freedom, dignity and democracy on this side of the world. How do the reactionary classes in the West achieve their incredible distortion and manipulation of ideas? The films, television and art play an important role in this gruesome undertaking. The bourgeois cultural industry, which is in the hands of the large monopolistic trusts, places itself in the service of such goals.

Monopolies Have Vast Resources

The so-called cultural industry and the multinational news agencies, with their budgets in the multimillions, control the circuits for the production, distribution and exhibiting of films both in theaters and on television, and the propaganda media designed to make them highly profitable. It is they, throughout the capitalist world, both developed and underdeveloped, which decide what films will be made, distributed, advertised and shown worldwide. The same forces which accuse us of being "bureaucratic" are those which bureaucratically control news and advertising in the capitalist world, using the most uncommon bureaucratic and technocratic apparatus ever in history for the purpose. A few monopolies control vast financial and technological resources, used to impose a way of seeing, thinking, feeling and acting on the world.

Four Western news agencies select, process and communicate 80 percent of the news circulating throughout the world. They are the source of eight out of every 10 reports the Latin American reader or viewer, for example, sees daily in the newspaper or on the television set. Naturally, the interests of these agencies do not involve protection of Latin American interests nor revealing the real problems of our continent, but instead precisely the contrary.

The countries of the so-called Third World can only deal with their domestic and foreign information needs through the conventional media. On the news level, the most modern electronic technology does nothing but reproduce the oldest schemes of colonial domination here. It has correctly been said that never before in history have such voluminous resources been dedicated to creating so much inequality. This is precisely the reason for the firm refusal of the nonaligned nations, the so-called Third World and even some developed capitalist countries--a position sustained in the UNESCO and various international forums--to allow what the multinational news and U.S. cultural industry agencies and companies call the "free flow of information," that is to say the ideological colonization effort on a worldwide scale. This "free flow," we are well aware, could not fail to be vertical, oriented in a single direction and a monologue instead of a dialogue. It would do nothing but increase the already existing dependence, instead of working toward interdependence and exchange in news, criteria and cultural values.

Precisely because the modern world is one world, because culture is tending to become ever-increasingly international, because artificial frontiers separating peoples are tending to blur--this is why it is necessary to defend, with greater zeal than ever, the right of each country and each culture to share equitably in the common heritage of universal communications and culture. Wealth lies in diversity, in the contribution which we can all make to the culture of all, not in the standardization of languages and messages through which imperialism has sought and is seeking to transform the world into a single market, with a single type of consumers beaten down by the so-called "mass culture." In both the cultural and the social realms, we aspire to participation, creativity, diversity and the integral development of the individual, not the standardized and dehumanized product the multinational companies are trying to impose.

Socialist Filmmaking Has Come Far

In the assertion of humanism and the most profound cultural values, socialist films have covered a long path from "The Battleship Potemkin" to the present. Our filmmakers are proud of this artistic and revolutionary legacy, and they accept it responsibly, attempting to develop it creatively within the Caribbean and Latin American cultural context. The modest nature of Cuban film production will not prevent us from saying that within a few years, we have created a filmmaking industry which is now a part of the cultural heritage of the nation and the Latin American artistic movement. In the realm of documentaries, people speak of a "Cuban school," which is the same as speaking of a people in revolution forging their own film image along with their history.

Our film industry also falls within a broader movement, the "new Latin American cinematography." For more than 20 years, hundreds of filmmakers

from all of our America, overcoming obstacles which seemed insurmountable, with limited economic resources and with little or no government protection, very often facing repression and censorship, and with no other encouragement but their political and cultural consciences and calling, have been creating the new Latin American filmmaking, one of the continent's most impressive artistic and cultural phenomena, and thereby recovering a past, revealing a present and heralding a future which represent the epic, dramatic and potential image of Latin American history. This movement in turn falls within the field of Latin American literature and visual arts in these last 2 decades--one of the most powerful and creative phenomena in the universal culture of this century, all of which is a part of the political and social context of our peoples, of an America which, in the course of magnificent advances and painful retreats, has gained an awareness of its identity and which firmly rejects colonialism and the cultural penetration being pursued by the multinational companies with the blessing of their accomplices, the local oligarchies.

We believe that the socialist filmmakers can and must continue to support this movement, opening to it, as they have done to date, their festivals, their distribution and exhibition networks and the interest of their critics and their audiences, which means carrying the most authentic image of our America to millions and millions of spectators, and contributing to the advancement of newly developing film industries, which even in their own countries find their markets criminally reduced and taken from them. Indeed, something similar occurs in the United States itself, where the film monopolies prevent the development and the broadest distribution of independent film products which, because of their popular roots and democratic concerns, should occupy the place monopolized by the byproducts of the cultural industry.

How can socialist filmmaking play its role of ideological confrontation with the capitalist and neocolonial society? Let us see. It was the newly born socialist film industry, the young Soviet film industry, which in conscious and systematic fashion converted filmmaking into a art. The names of Eisenstein, Pudovkin, and Donchenko would suffice to prove this. This is a historic achievement which no can deny. Similarly, no one can deny the artistic value created by the filmmaking industries in various socialist countries, providing a historical context which is part of our cultural achievement. Socialist films have also served their cultural function by exalting human values and rejecting the typical bourgeois expressions of decadence and frivolity. We have made no concessions either to bourgeois markets or fashions. On the contrary, we have always tried to transmit, with the greatest artistic rigor, a message of encouragement and confidence in the future of man, and this is another triumph for which we can claim credit.

What is needed today is to analyze how the socialist film industry, while maintaining its high ethical and aesthetic level, can achieve more universal production, while at the same time providing a guarantee of the interest and the recreation of the broad popular masses among the most varied peoples of the earth. It seems to me that this is a central theme of socialist filmmaking. It is not within the framework of this event that we should set forth solutions. Here we must limit ourselves to setting forth the problem. I do

however want to stress that in order to do so, the critical development of a language and artistic forms of universal interest, or rather of interest to the most widely varied audiences, will be necessary.

The filmmaking field has aesthetic, social, political and communication goals. It has ethical-moral goals which we communists quite rightly stress, while in turn it provides a powerful medium for popular recreation and amusement which should involve itself with the people through ever more cultivated entertainment. The audience for art in our time has expanded to incorporate vast masses of the people as viewers of films, television, videocassettes and other cultural media. The message and the image of socialism should provide good art to all of this audience, but to do it is necessary to undertake an analysis of the problems related to forms, artistic styles, questions of dramatic art and of other sorts, in which connection the experience of not just one of our countries is needed, but that of all of them together. It is also necessary to analyze the universal historical experience in the development of art from the point of view of our socialist goals.

In the developed capitalist societies themselves, artistic cultural experience, which needs to be fully evaluated and insofar as possible assimilated, has accumulated. Not, of course, in order to submit to the decadent and transitory forms proposed by the imperialists, the upper bourgeoisie and its ideologues, but in order to resume, from a universal and socialist perspective, the lines of development which lead to constant renewal and communication with the whole world.

To be socialist in art, in culture, means, as we said at the beginning, to have a universal calling. Socialism must express the best of universal culture, in synthesis, and to do so it must join with the rest of the world against its main enemies, those responsible for oppression, the armaments race and the degradation of human values. From this class position, and taking into account the fact that the two cultures of which Lenin spoke are also expressed in the film industries of the bourgeois and neocolonial societies, we assert the great artistic achievements of socialist filmmaking and propose to reach higher goals, turning ourselves ever increasingly toward all corners of the world in search of an art, a culture nourished from proletarian and popular sources, and gaining richness from the scientific, technical, literary and artistic contributions of all mankind.

Comrades:

You have worked so that your deliberations and efforts will not go unheeded. The resolutions which have been adopted guarantee your analysis a specific perspective. For our party we would like to see a seminar organized, which our country might host, to analyze the projection of socialist filmmaking as a function of the scientific, technical and artistic requirements of contemporary mankind.

The great ideological debate--both in the realm of culture in general and in filmmaking in particular--between socialism and capitalism will be resolved in favor of the system of ideas which is capable of maintaining its basic

firmness of principle and assimilating the new universal realities in critical and dialectical fashion.

This victory will be won entirely by socialism! We must confirm and prove it on the artistic level as well.

To our way of thinking, this is the challenge which faces socialist filmmaking.

Many thanks.

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CSO: 3248/543

DOMINICAN NOTES EXISTING TIES WITH CUBANS

PA090258 Havana International Service in Spanish 0000 GMT 8 Apr 84

[Interview with Ramon Antonio Veras, vice president of the Dominican Peace Commission, member of the presidency of the WPC, and president of the Dominican chapter of the Anti-Imperialist Tribunal of Our America, by Pedro Martinez Pirez; date and place not given--recorded]

[Excerpts] [Passage omitted] [Veras] We have visited Cuba to maintain contact with the Cuban people and to become familiar with their experiences, their dedication, and the dignified way in which they are bearing up under the assault, the underhanded imperialist attack, and the blockade that has been maintained for several years.

During our stay we hope to have in-depth contact with the people, and that is why we have prepared three lectures on the subjects of immigration in Latin America, the status of Haitian immigrants in the Dominican Republic, and the working class role in world peace. In addition, we will take advantage of this visit to Cuba to visit another Santiago. We will go to Santiago, Cuba, to observe our counterparts there in the fields, in their daily lives, and in their loves and struggles.

[Martinez Pirez] Of course, you are from Santiago de los Caballeros, Veras; that is why Santiago, Cuba, must be a point of special interest to you and your wife, who is accompanying you. I would like to hear your opinion of the historical ties that link Cuba and the Dominican Republic.

[Veras] If we look backward, we cannot stop at Hatuey. We have to remember Maximo Gomez and also, in recent eras, the example of the Cuban revolution must be viewed, not only from theoretical viewpoint but also from the viewpoint of the fact that after 1959, when the revolution triumphed, the Trujillo dictatorship began to crack. It is no secret to anyone that, were it not for the moral and material support extended by the Cuban revolution to the anti-Trujillo fighters, the Trujillo regime might perhaps still be in place and Dominicans would not be enjoying public freedoms as we are enjoying them today, within the framework of representative democracy.

We Dominicans have always had historical ties of solidarity and understanding with the Cuban people. To say "Dominican" and "Cuban" is to express shared feelings and understanding. [Passage omitted]

BRIEFS

MEJIA LACKS 'REAL POWER'--The newspaper ERUPCION has stated that General Oscar Mejia Victores, chief of the Guatemalan regime, has been practically removed from real power by a group of officers. This information was provided in Mexico City by ENFOPRENSA, the Central American news agency. It was based on an article in the latest edition of ERUPCION, which is run by the Revolutionary Organization of the People in Arms (ORPA). According to the report, Mejia Victores has been removed from power by some of the officers who supported him in the coup against Efraim Rios Montt in August 1982, although Mejia Victores retains the title of head of state. According to the article in the paper, which currently circulates irregularly in Guatemala City, the new clique is headed by General Rodolfo Lobos Zamora; army chief of staff, who has arranged to be designated deputy chief of state, to be officially recognized as second in command, and to be promoted to brigadier general. [Text] [FL131432 Havana Television Service in Spanish 1200 GMT 13 Apr 84]

CSO: 3248/564

BARTER ARRANGEMENTS WITH ARAB NATIONS BEING CONSIDERED

Mexico City EXCELSIOR in Spanish 19 Mar 84 pp 1-A, 23-A, 33-A

[Article by Francisco Garfias]

[Excerpt] Paris, 18 Mar--To offset the cash crunch that is hampering the country's development, the Mexican Government is looking into the possibility of barter arrangements with Arab and African countries in oil, iron and steel and foodstuffs. Another aim of this is to expand relations with the Third World.

The efforts in which it is currently engaged are part of a campaign that has already begun in Europe and Latin America to seek joint industrial investment and the establishment of inbond assembly plants to diversify the Mexican economy and lessen the influence of the United States in it.

As part of this stage of the campaign, a trade mission headed by Manuel Armendariz, the director of the Mexican Foreign Trade Institute (IMCE), today began an 18-day swing through 6 Arab, 4 Persian Gulf and 2 North African countries: Saudi Arabia, Algeria, Bahrain, Egypt, the United Arab Emirates and Kuwait.

In an interview during a stopover in this city, the director of the IMCE indicated that a campaign for joint investments and inbond assembly industries in the Near East had been in the works for a year now, inasmuch as "at this time Mexico's trade with this region is very modest."

The trade mission is made up of experts in agriculture and the oil, construction and engineering industries. Also involved are 6 foreign trade consortiums representing around 200 companies. "The products for which we have pinpointed a potential in the region are quite well represented on this mission," the director said.

"The food industry is well represented in this mission, as is the industry that supplies inputs to the oil industry," he said. "The chemical and automobile industries are also represented." Armendariz emphasized that a number of consortiums have already done business in the Near East, particularly in the field of technology transfer and engineering and construction services.

Asked about Mexico's foreign trade dependence on the United States (almost 70 percent of our trade is with the United States), the IMCE director said that economic relations in general, not just trade, are dominated by our neighbor to the north. "The United States exerts a great deal of influence on Mexico's economy," he acknowledged.

Trade Diversification

"As a matter of fact, one of our objectives is to diversify our trade. For 5 months now we have been sending trade missions to the Orient, South America, Central America and the Caribbean, the rest of North America and Europe. We were also active participants at the Leipzig Fair, where products are displayed to the socialist world."

"Now we are visiting North Africa and the Near East," he continued. "We feel that this is important because to the extent that we can diversify further, the influence of one or more countries on our economy will not be as direct or decisive."

In this regard, Armendariz noted indirectly that because of their market's lower growth capacity, European companies are seeking other outlets and "are enormously interested in expanding their markets through joint investment and inbond assembly industry projects in third-party countries, such as Mexico, which specifically has the huge advantage of bordering on the United States, the largest market in the world, and of being the gateway to Latin America."

The Mexican official spoke of the flourishing South-South trade based on barter to make up for the shortage of foreign exchange. "We are very open about this. Some countries, Egypt and Algeria in particular, have proposed such arrangements to us," he said.

"These nonconventional or nontraditional methods of trade could lay the groundwork for broader economic relations with the developing countries and, at the same time, help solve the problem of foreign exchange shortages."

8743

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DE OLLOQUI URGES TRADE POLICY COORDINATION WITH CANADA

Mexico City EXCELSIOR in Spanish 20 Mar 84 pp 5-A, 19-A

[Article by Salvador Hernandez Landeros]

[Excerpt] Monterrey, Nuevo Leon, 19 Mar--In the face of the political danger of increasing economic dependence on the United States, Mexico and Canada ought to coordinate, without giving the impression of collusion, in their negotiations with Washington to secure higher prices for some raw materials, such as oil and natural gas, Jose Juan de Olloqui, our country's former ambassador to the United States, proposed last night.

De Olloqui, who heads one of the nationalized banks, outlined his proposal in a lecture that he delivered at the Monterrey Technological and Higher Studies Institute on the subject of world economics and politics and their potential impact on Mexico.

For his part, the director of the National Finance Bank, Gustavo Petriccioli, noted, also at the institute, that with the proceeds from the sale of the companies that they are now running, the banks could undertake new investment projects.

De Olloqui also said that by coordinating their policies and negotiating positions, Mexico and Canada could avoid harming each other's interests in the case of sulfur and other raw materials.

Canada, like Mexico, the former ambassador recalled, is not a member of OPEC and is one of the leading producers of fossil fuels.

De Olloqui asserted that we should try to lessen our dependence on the United States but at the same time try to set an optimum level and makeup of trade with that country. "We want to optimize, not maximize our trade."

"Therefore, in order for interdependence to be advantageous, it must be among equals."

He pointed out that Canada, like Mexico, is very interested in the Caribbean, borders both oceans and shares other interests with our country.

"Politically, a U.S.-Canada-Mexico common market is out of the question," he noted.

"But this does not mean," he went on to say, "that a rapprochement between Canada and Mexico, without looking like collusion, could not be useful in our negotiations with the United States concerning our common problems."

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CARDINAL CORRIPIO STATES CONFIDENCE IN PRESIDENT'S STATEMENTS

PA111455 Mexico City UNOMASUNO in Spanish 30 Mar 84 pp 1, 6

[Article by Gustavo Rodriguez]

[Text] San Luis Potosi, San Luis Potosi, 29 Mar--Cardinal Ernesto Corripio Ahumada, primate archbishop of Mexico, said here today that the church is not against the Constitution, because it pursues a policy of the common good, not a partisan policy. He indicated that the economic crisis could bring about a moral crisis among Mexicans and said that the church seeks solutions by urging its members to live as true Christians in facing the nation's problems, guided by the evangelical spirit and without resorting to violence or to extremist solutions.

The cardinal said: "The state has no reason to fear the church's participation in the policy of common good--this policy being defined as service to the community and to the needy--because it must be kept in mind that the church is not serving parties, nor does it carry out a partisan policy, because that is not its function."

He said that on various occasions, the press has attributed to the clergy political opinions that the clergy has not expressed, or has changed actual statements and published a different version. He said: "I believe that they sometimes do not listen to us carefully and one wrong phrase changes the entire meaning of a statement."

The cardinal said that the economic crisis, in a way, decreases the citizen's morality, which could in turn result in a moral crisis among the people.

He reiterated that the clergy has faith in President Miguel de la Madrid's statements on the course of the economy. "Some people say that we are going directly toward socialism, and others deny this, but the church believes the President's statement that we are not moving toward state socialism."

Corripio arrived here to take part in a mass at the cathedral to mark the 50th anniversary of the founding of the religious order of Saint Mary the Immaculate. He was accompanied by eight Mexican bishops and 180 priests from the diocese of San Luis Potosi. During an interview shortly before

the start of the mass, the cardinal said that "the Mexican state is not moving toward state socialism, because those uncertain times have passed."

He said that, in view of the world situation, the outbreak of World War III is a real risk.

In addition, Corripio described President Miguel de la Madrid's Latin American tour as "a praiseworthy effort to bring peace to Central America through the Contadora Group" and thereby to "solve the problems of that strife-torn area. It is important for the president to establish friendly relations and sign agreements and conventions with the countries of that area," he added.

CSO: 3248/566

PSUM QUINTANA ROO ELECTION VICTORIES

Mexico City ASI ES in Spanish No 99,26 Mar 84 p 10

[Text] The Unified Socialist Party of Mexico (PSUM) made major gains at the elections held in Quintana Roo on Sunday 4 March for seven city councils and a new local Chamber of Deputies.

In the wake of the recent elections the PSUM now has a proportional representation delegate in the Quintana Roo Congress, Javier Gonzalez Espinoza, a peasant farmer leader from the municipality of Jose Maria Morelos. His alternate is Valerio Cab.

The Quintana Roo PSUM also won three city council seats, one in Cancun and two in Carrillo Puerto. The party will thus be represented in the Cancun city government by Gildo Pool Dzib and in Carrillo Puerto by Lazaro Blanco Sanchez and Rosendo Urich Miss.

Federal Deputy Samuel Melendrez, who was appointed by the Election Department of the PSUM Central Committee to monitor the 4 March elections in Quintana Roo, emphasized that before the balloting the party had no representatives in the state. Now, he added, the PSUM ran its political campaign throughout the state, "the biggest campaign next to PRI's."

The PSUM thus highlighted the organizational capacity that it has developed in Quintana Roo, as well as the political influence that it is beginning to exert over the masses. "Nevertheless," the PSUM lawmaker admitted, "this influence is still very local, mainly in the municipalities of Jose Maria Morelos and Carrillo Puerto," which are in primarily peasant farmer and Mayan Indian areas.

Samuel Melendrez also remarked that "considering that the elections were completely controlled by the government and the ruling party," they proceeded normally, "albeit still with PRI's domineering attitude."

As an example he mentioned that in Carrillo Puerto the ballot box documentation and the ballot packages had been improperly concentrated at the local CONASUPO [National Company for Basic Commodities] stores.

As a result of the PSUM's vigilance and timely complaints, however, the packages were transferred to the offices of the Municipal Election Committee within 2 hours.

"The Unified Socialist Party of Mexico is moving forward and has all of the elements to become a major political and social force in Quintana and throughout the country," the PSUM federal deputy remarked.

Last weekend the party's State Committee had to hold a plenary meeting to assess its performance in the elections. It was attended by Manuel Stephens Garcia, the secretary of the Election Department of the PSUM Central Committee.

8743

CSO: 3248/527

PRI SECRETARY GENERAL ADMITS POSSIBILITY OF INTRAPARTY STRIFE

Mexico City UNOMASUNO in Spanish 1 Apr 84 pp 1, 5

[Article by Roberto Vizcaino]

[Text] Tepic, Nayarit, 31 Mar--Cautioning that the democratization of PRI could lead to strife among the party's worker and peasant factions or to splinter groups, Francisco Luna Kan, the PRI secretary general, asserted here that nevertheless the party is determined to carry forward the process to its ultimate consequences, clarifying that the results obtained in Nayarit will dictate whether or not the democratic "experiment" will be applied in the future to the selection of PRI candidates for deputy, senator, governor and president.

Luna Kan, who was accompanied by almost all top PRI leaders to supervise the elections in which Nayarit party members will in a direct and secret ballot choose their 19 mayoral candidates, ruled out the possibility of fraud, saying "goals you score against yourself don't count." He also announced that the "experiment" would be extended to the nomination of candidates in the states of Mexico, Hidalgo, Coahuila, San Luis Potosi and Yucatan, commenting that another purpose of the search for new and more clear-cut selection procedures is to achieve the political consciousness-raising, education and mobilization of PRI members.

He clarified, however, that since conditions are different in each state, the systems could be adapted based on the experiment begun here.

Luna Kan asserted that the experiment would not lead to political defeats by other parties and expressed his assurance that, on the contrary, with the opening up of the selection process the rank-and-file would promote its candidates more strongly, which would lead not only to more victories but also to a nationwide strengthening of PRI.

According to the voting list in Nayarit, there are 300,000 potential voters. Some 230,000 of them belong to PRI, and they are the ones who will choose their candidates today in a direct, secret ballot. Some 80 percent of the registered voters in Nayarit belong to PRI, which means that the PRI candidate will win easily here.

This was one of the reasons why Nayarit was chosen for the experiment. The others were: its few municipalities, the thorough and honest compiling of the voting list, a fine party organization and the determination of Governor Emilio M. Gonzalez, Luna Kan said.

In spite of all these favorable conditions, Luna Kan pointed out that predictions were impossible and that we would have to wait for the results: "To see what shortcomings we find, how we can correct them and how we can improve the system."

He added: "We are aware that this could lead to splinter groups or dissent. But we have taken every precaution."

It was indicated at a press conference that 16 members of PRI, including several high-level state officials, were rejected as candidates for nomination because they did not meet all of the requirements set forth in the bylaws, such as hailing from the municipality of which they would like to run for mayor.

Luna Kan noted that the situation was clearly explained to all of them. They understood, stepped aside and pledged to support the candidates who are nominated.

All of this represents progress in the ongoing renovation of PRI, he said, adding that "we will be able to apply this later on at other selection levels...It will depend on the experience that we gain here. The party will proceed on the basis of the constructive results that we achieve with this selection procedure here in Nayarit, modifying and tailoring it to the conditions in each state."

Meanwhile, Deputy Maximiliano Silerio Esparza, the chairman of the PRI Commission of Assemblies and Conventions, told Luna Kan that the system of consulting the rank-and-file was started by Adolfo Lugo Verduzco and that this system is not at variance with the party's bylaws.

He said that the PRI bylaws clearly stipulate that there are two basic selection systems: choosing delegates by sectors to hold conventions and national organizations.

Lastly, he stated that the process of consulting the PRI rank-and-file is going to bolster the desire for democracy.

8743

CSO: 3248/527

PRI SENATOR SAYS PARTY UNPREPARED FOR ASSEMBLIES

Mexico City UNOMASUNO in Spanish 28 Mar 84 p 4

[Article by Ubaldo Diaz and Roberto Vizcaino]

[Text] The Institutional Revolutionary Party is not prepared to hold democratic assemblies to openly select candidates for elected office because it does not have an reliable voting list and because this would be disadvantageous, Senator Victor Manzanilla Schaffer said yesterday. He advocated the formation of a commission made up of prominent PRI members for this purpose and the reduction of the National Executive Committee to five seats.

Interviewed at his offices in the Senate of the Republic, the legislator from Yucatan indicated that he personally does not consider the assemblies a democratic step forward, inasmuch as his party, first of all, does not have a sectional, municipal or state voting list and many people who are undesirable or who do not represent anyone could sneak in.

Manzanilla Schaffer noted that given the current makeup of the PRI National Executive Committee, its chairman is under pressure to choose candidates; the same goes for the party's secretary general and the leaders of the three sectors. Therefore, he continued, it is advisable to form an ad hoc commission of distinguished PRI members, who after a thoroughgoing analysis would express an opinion as to the merits of potential candidates for elected office.

He reiterated that the commission, if formed, would be an advisory body and would be empowered to request information to judge the merits or shortcomings of any candidate. However, it could also monitor the performance of secretaries and undersecretaries in the cabinet or governors and call for their removal at a given moment.

He asserted that once the party president had all of the facts, he could decide on a specific candidate, that is to say, he would choose from a carefully drawn up list of three candidates, including reliable information and free from inaccuracies about their backgrounds; such inaccuracies often are and have been encountered.

Manzanilla Schaffer explained later that a direct selection of candidates does not work in practice. Therefore, he argued that the party ought to seek new systems that are consistent with the country's economic and political times so that candidates are chosen after careful study, not just on the whim of an assembly. He went on to say that a wide range of candidates makes a vote unadvisable because party members would surely make the mistake of selecting people who are not revolutionary in their activism or ideology.

In another vein, Manzanilla Schaffer commented that the governors should indeed be listened to but that their opinions have the same weight as those of a deputy, senator or rank-and-file member. The governors must stop applying pressure, inasmuch as they cannot impose candidates, and the way to neutralize them is through the arrangement that he proposed to the president of PRI, Senator Adolfo Lugo Verduzco.

The Yucatecan politician acknowledged that several months ago he sent a letter of protest to Lugo Verduzco but has so far not received a reply. Lugo Verduzco was most likely waiting for proposals to be offered at the national assembly, he remarked.

He also stated that his party has been changing, inasmuch as it is not a rigid body. It is open to constant change, as dictated by the country's economic and political situation, though it never abandons its ideological stands.

He noted later that one of the actions that the PRI assembly should take is to reestablish a principle that was embraced from the party's creation and that gradually faded: to constantly monitor the conduct and performance of its constituted authorities.

8743

CSO: 3248/527

BRIEFS

PREFERENTIAL TREATMENT FOR CNOP MEMBERS--According to a bulletin distributed by the authorities in the Miguel Hidalgo District, membership in PRI is a requirement for enjoying "preferential treatment" in obtaining jobs in the district and for securing a spot in markets there. During an information meeting yesterday on government programs, delegate Fernando Ulibarri signed an agreement with the National Confederation of Popular Organizations (CNOP) in which the Mexico City government official pledged that "the 5,000 vacancies that occur annually in the district will be filled preferentially by members of the CNOP," who will also be given 10 places in low-cost markets and financial aid to build and renovate housing. In addition, Ulibarri pledged "to handle on a priority basis the matters that the CNOP district league brings before the district's administrative authorities." [Text] [Mexico City UNOMASUNO in Spanish 28 Mar 84 p 22] 8743

CSO: 3248/527

PROBLEMS IN TOURISM, OIL REFINERY BUSINESS

The Hague ANP NEWS BULLETIN in English 10 Apr 84 pp 2-3

[Text] Willemstad, April 9--The Netherlands Antilles, a federation of six prosperous Caribbean islands, could be facing hard times with a decline in their oil refining and tourism industries and a threat to offshore business.

Once seen as a likely candidate for independence in the 1980's, the federation is feeling economic and political strains which have led Prime Minister Don Martina to see continuing links with the Netherlands as the only viable policy.

Though mostly arid and lacking in natural resources, the islands--Curacao, Aruba, Bonaire, St. Martin, St. Eustatius and Saba--have thrived during three centuries of Dutch rule as centres for trade and finance. The 240,000 inhabitants today enjoy considerable autonomy and a high standard of living.

Much of this prosperity is due to a 20-year-old tax treaty with the United States, which became a minor gold mine for Curacao as hundreds of international corporations registered there to avoid U.S. taxes.

But the Reagan administration's campaign against tax avoidance prompted negotiations on a new treaty three years ago that would close the loophole.

Aruban Independence

With Aruba seeking its own independence, the central government in Curacao faces another problem for the federation, whose economy was hit when Venezuela devalued the bolivar in February, reducing tourist income from there by 80 percent.

Aruba, Bonaire and Curacao depend on Venezuela, 30 miles away, for about 40 percent of their tourism. But with little recent investment in the islands' tourist industry, many hotels in Curacao and Aruba are run down and tourist income fell by 37 percent in 1983 to 230 million dollars.

Also, there has been a decline in the Shell and Exxon oil refineries, built in the 1920's and 1930's to process crude from Venezuela for the U.S. east coast market.

Output from the two refineries, among the world's largest, is down to only 50 percent of their combined 800,000 barrels per day (BPD) capacity.

Concerned at the decline, Martina last month began urgent talks with Exxon and the Venezuelan government aimed at ensuring the refineries stay open.

Both refineries have had to accept a sharp drop in shipments from Venezuela, still their biggest source of crude supplies, following the OPEC (Organisation of Petroleum Exporting Countries) decision in March, 1983 to impose output quotas on its members.

Tax Treaty

Venezuelan shipments today are only some 300,000 BPD, against almost twice that five years ago, and Exxon officials in Aruba say the refinery faces possible closure in two years unless new supplies can be got from the Middle East.

One option is for Venezuela to buy into the Shell refinery, which is negotiating to maintain shipments to about 120,000 BPD, but officials at state-owned Petroleos de Venezuela say lack of funds and poor market prospects mean this is unlikely to bear fruit in the near term.

Meanwhile, the island's government continues its battle for a new tax treaty which it hopes will salvage the other cornerstone of the economy. The old treaty expired in June 1980 and has been renewed yearly pending renegotiation.

The U.S. Treasury argues the present setup, with its emphasis on confidentiality, shelters many unscrupulous companies.

The Antilles argue the majority of companies registered in Curacao are legitimate, notably multinationals who raise money on the Eurobond market.

Dutch Antilles officials fear any loss of confidentiality would cause many legitimate companies to withdraw and point out that new registrations of offshore companies dropped 40 percent in 1983.

Separate Status

Income from the several hundred offshore banks and companies registered in Aruba and Curacao makes up around 30 percent of the islands' budget and its loss would be critical.

Some compromise seems likely on confidentiality. But officials in Curacao are far more concerned that the U.S. Congress might eliminate the 30 percent American withholding tax on company dividends and interest payments to people living outside the United States, hitting the island's position as a tax haven.

Meanwhile, the separatist demands of Aruba are causing concern in the Netherlands over the political stability of the islands, diplomatic sources said.

Its leader Betico Croes, who brought down the Martina government briefly in 1982 by withdrawing from the coalition, thinks the island with its 60,000 population could survive on its relatively healthy tourism and might also have oil on its continental shelf.

In Curacao, officials fear Aruba's departure might bring a financial burden too heavy for the remaining five islands and that the only alternative might be a return to full colonial status.

CSO: 3600/28

TAX AGREEMENT CLOSES LOOPHOLE

The Hague ANP NEWS BULLETIN in English 11 Apr 84 p 5

[Text] The Hague, April 10--Holland and the Netherlands Antilles agreed this week to close 'the Antilles route,' a lucrative dividend tax loophole, and pave the way for freer bilateral exchange of financial information, a spokesman for the Dutch Finance Ministry said here today.

He said the agreement was the result of talks between Dutch finance state secretary Henk Koning and his Antillean opposite number Gilbert de Paula.

The tax loophole has allowed Dutch firms to avoid Holland's relatively high tax on dividends (7.5 percent) by paying dividends through an Antillean 'front' company or corporation holding at least 25 percent of the Dutch firm's shares.

The spokesman said this week's agreement, which included a number of changes in the Dutch-Antillean tax regulations, called for the six-island group to raise its tax on dividends from 2.5 - 3 percent to 5.5 percent, while the Netherlands lowers its dividend tax to 5 percent.

Compensate

In this way, the agreement would leave the combined dividend tax at 10.5 percent and compensate the islands for the loss of profitability and the attraction of 'The Antilles route,' the spokesman said.

He said the agreement also allowed for greater investigative coordination between financial authorities in both countries for the purpose of auditing tax returns and preventing undue double taxation.

Both countries were hoping the bill containing the alterations would be signed by December 31 of this year, he added.

The spokesman said the bill would be effective for at least five years, unless the tax regulations of either country were to change markedly before then.

The Netherlands Antilles receives annual revenues of some 450 million guilders from its status as tax haven--some 30 percent of its national budget.

POLITICAL FORCES FIGHT OVER ISSUE OF MISSION TO GRENADA

Chambers Blast at Hudson-Phillips

Port-of-Spain TRINIDAD GUARDIAN in English 6 Apr 84 p 1

[Article by John Alleyne]

[Text] SAN FERNANDO--PRIME MINISTER George Chambers, expressed "shock and horror" yesterday morning over a statement reportedly made by Mr. Karl Hudson-Phillips, Political Leader of the Organisation for National Reconstruction (ONR) at a political meeting here Tuesday night on a proposed fact-finding mission to Grenada.

Mr Chambers said he was "flabbergasted" and the matter brought into serious question "the constitutional provision of consultation between the Prime Minister and Leader of the Opposition." He regretted that the matter was treated in such a "cavalier" fashion.

Speaking after yesterday's Cabinet meeting at Farrell House Hotel in Claxton Bay, the Prime Minister confided that two weeks ago he held consultation with Mr. Basdeo Panday, Leader of the Opposition.

"These were private meetings and held even before I had any discussion with members of the Cabinet, and during which the question of a fact-finding mission to Grenada was brought up."

Some Responsibility

Mr Chambers referred to discussions also between the Interim Government in Grenada and the Government of Trinidad and Tobago, the several approaches for help from Trinidad and Tobago and he singled out four specific areas--technical assistance, specialised personnel with legal training and draughting skills, policemen and police training personnel and financial assistance.

He said he told Mr. Panday that notwithstanding the Government's stated position on the Grenada invasion as outlined in Parliament, at New Delhi, India, during the Commonwealth Prime Minister's Conference and at the United Nations, the Trinidad and Tobago Government recognised that it had some responsibility to the people of Grenada, and from the discussion with Mr Panday it was agreed that it would be a non-partisan mission and that there would be no parliamentarians, no Parliamentary Secretaries.

"What I had in mind", Mr Chambers explained yesterday, " was that the mission would consists of people representing the Church, the Labour Movement, women's interests and the interests of the youth, and with Government, Opposition and Independent Senators."

He said he had also suggested that the mission should be headed by a very distinguished person and the person chosen had actually agreed to head the mission. He said that was Mr. Ulric Cross, former Court of Appeal Judge.

"The mission will not be undertaking any investigation into the causes or circumstances surrounding the deaths of the former leaders of Grenada which is a matter now in the hands of the court."

Said the Prime Minister: "I do not understand on what basis the statement was made in San Fernando on Tuesday night in view of the fact that the Political Leader said his party would not participate in the mission.

"I am totally flabbergasted at the very cavalier manner in which an issue of such tremendous importance is treated. The Government of Trinidad and Tobago has an obligation to the people of Grenada and it intends to meet that obligation and I am glad to see that Mr Panday has maintained that his party would participate."

Hudson-Phillips Press Release

Port-of-Spain TRINIDAD GUARDIAN in English 7 Apr 84 p 1

[Text] MR KARL HUDSON-PHILLIPS, Political Leader of the Organisation for National Reconstruction, said yesterday he did not get the information relating to Government's proposed fact-finding mission to Grenada from Opposition Leader Basdeo Panday.

In a prepared Press release from the ONR yesterday, Mr Hudson-Phillips said he learnt of the proposed mission from a usually reliable Government source.

Mr Hudson-Phillips said the accusations of Prime Minister George Chambers against Mr Panday had verified the facts."

The ONR leader claimed that "obviously Mr Chambers has a problem of confidentiality within his own Government."

Mr Hudson-Phillips said the Prime Minister was critical of the fact that he (Mr Hudson-Phillips) "is of Grenadian stock."

He was proud of his stock, Mr. Hudson-Phillips said, and the contribution made by his family to the advancement of Trinidad and Tobago.

Mr Hudson-Phillips called for a lifting of the visa restrictions on Grenadians.

Meanwhile the ONR has written the General Manager of Trinidad and Tobago Television (TTT) calling for reply time be given to the ONR for Mr. Hudson-Phillips to reply to the statements made by the Prime Minister.

Panday Rejoinder

Port-of-Spain TRINIDAD GUARDIAN in English 7 Apr 84 p 1

[Article by Clevon Raphael]

[Text] OPPOSITION Leader Basdeo Panday told Parliament yesterday he regretted the reaction of Prime Minister George Chambers over remarks made on a proposed fact-finding mission to Grenada by Karl Hudson-Phillips, Political Leader of the Organisation for National Reconstruction (ONR).

Mr. Panday said he viewed Mr. Chambers's statement to the news media on Thursday as an attack on his integrity. He said also the convention of consultation between the Prime Minister and the Opposition Leader on matters of national importance had redounded to the benefit of the nation.

He accused Mr. Chambers of not following his own advice (checking the facts in newspaper reports) and had he done so he would "have been spared the tragic blunder of attacking me and impugning my integrity.

Mr. Panday said that a daily newspaper (not the "Guardian") carried a story on Thursday confirming that Mr. Panday had told Mr. Hudson-Phillips that two weeks ago Mr. Chambers had called him in connection with the mission. Mr. Panday was quoted in the story as saying the mission's terms of reference would be to get the facts on the circumstances leading to the killings of Grenadian Prime Minister Maurice Bishop and several of his ministers.

Failed to Check

Denying that part of the report and several other statements attributed to him in the same story, Mr. Panday said the "Trinidad Guardian" story on the same matter was an accurate account, carried also on Thursday, which said the mission was to ascertain how Grenadians could be helped.

After reading both stories and the Prime Minister's response as carried in yesterday's newspaper, Mr. Panday told Parliament:

"Without falling into the same trap as the Honourable Prime Minister, that is, of failing to check the facts, I am assuming that what is reported is correct.

"I regard this statement as an attack on my integrity and I ought to set the record straight."

Mr. Panday said last Monday he received a telephone call from Mr. Hudson-Phillips who told him that he heard from a government source that government was sending a fact-finding mission to Grenada and inquired whether he (Mr. Panday) knew about it.

The Opposition Leader continued:

"It did not occur to me that I ought to lie and I therefore said to the ONR Leader that I had been consulted by the Prime Minister. I explained to him that I understood that the mission would be non-partisan and would seek to find facts that would enable Trinidad and Tobago to assist Grenada in recuperating from its awful trauma.

"I also told him that I had discussed this matter with my party colleagues and we had agreed to participate in the exercise. I did not think the Honourable Prime Minister would regard discussions with my colleague on such an important matter as a breach of confidence."

Democratic Party

Mr. Panday said he belonged to a democratic party which required that the leadership should always enjoy the confidence and support of his colleagues.

"I am not a dictator and I cannot take decisions on my own without regard to the views of my colleagues. If to discuss matters of national importance with my colleagues is considered a breach of confidence, because such matters were initiated by the Prime Minister, then that is too bad.

"Mr. Chambers is reported to have said that my action has brought into serious question the issue of consultation with the Leader of the Opposition.

"I merely wish to record that the convention of consultation between the Prime Minister and Leader of the Opposition in Trinidad and Tobago was abandoned by the late Prime Minister for a period of 15 years since 1962 when Dr. Williams spoke to Dr. Rudranath Capildeo.

"It was not until 1977 that this convention was revived when Dr. Williams and myself met to discuss matters of national importance. That practice has continued since and I am sure you (the Speaker) will agree that such practice has redounded to the benefit of the nation.

"If the Prime Minister wishes to discontinue this convention then I wish that history should record that it was he who did it."

Mr. Chambers (who was not in Parliament yesterday due to his visit to San Fernando) told newsmen after Cabinet's meeting at Farrell House Hotel, Claxton Bay, on Thursday that he was flabbergasted that the matter could be treated in such a cavalier manner.

Pros, Cons of Mission

Port-of-Spain TRINIDAD GUARDIAN in English 7 Apr 84 p 8

[Editorial]

[Text] DISREGARDING for a moment the brouhaha that has arisen over discussions to appoint a non-partisan fact finding mission to Grenada, there is the basic question to be first considered about the need for such a mission.

Is an investigative exercise such as the one suggested by Mr. Chambers really necessary to Trinidad and Tobago's response to requests from the Grenada Interim-Government for assistance?

The matter, it appears, is still in the discussion stage and when he mentioned it on Thursday Mr. Chambers was more emphatic on what the mission would not be doing rather than what its true purpose would be.

Conspiracy

It would be absurd, of course, to send a mission to investigate the causes and circumstances surrounding the deaths of former leaders of Grenada, since these are related to murder and conspiracy charges now before the courts.

It must be presumed, then, that the objective of the mission would be to conduct a fact-finding survey of the critical areas of the economy and administration of the Spice Isle upon which the Trinidad and Tobago Government could decide the nature and measure of its assistance.

All that is well and good. And under normal circumstances, no one would want to question such an exercise. But, having regard to the urgency of the Grenadian situation and the pace at which Government operates, one must wonder whether this mission will not turn out to be just a delaying humbug.

The fact is that, apart from normal diplomatic channels of communication between the two countries, the Grenadian authorities have already made two visits to Port-of-Spain to present their requests for assistance.

During the last visit in February, the delegation from the Spice Isle, led by Mr. Nicholas Brathwaite, Chairman of the Interim Government, spent seven hours with External Affairs Minister Dr. Basil Ince in detailing the needs of Grenada in the process of reconstruction and the kind of assistance they would like to have from Trinidad and Tobago.

Could not these discussions have formed the basis for helping Grenada? Would not the fact-finding mission have to cover the same ground, possibly interview the same persons who have already come to Port-of-Spain?

The needs of Grenada in terms of technical assistance in rebuilding its legal and judicial service, its police and security service, its planning department and also economic aid through the Caricom oil facility are simple, obvious and urgent.

Through Dr Ince, the Trinidad and Tobago Government promised to consider these requests and one would have thought that by now some positive response would have been forthcoming.

However, Mr. Chambers now sees the necessity for sending a non-partison mission to Grenada including people representing religious demoninations, the labour movement, women and youth interests.

Controversy

The relevance of such membership to the job at hand is somewhat elusive. Is the intention to organise some kind of cultural exchange between the two countries? Or is it not to help a neighbouring country in a political and economic crisis?

In the circumstances, one would think that a small team of crack technocrats headed by Justice Cross would be sufficient and appropriate, accepting of course, that such a mission is really necessary. Despatching such an expert crew would be quick, neat and efficient. And it would not have embroiled Mr. Chambers in another silly controversy.

Whatever mission Mr. Chambers has in mind, the hope is that its members will be quickly selected and the survey rapidly conducted.

The Prime Minister himself acknowledges a responsibility for helping Grenada to recover from the trauma of the NJM Marxist dislocation. Fulfilling that responsibility should be direct and unhesitating.

CSO: 3298/705

GOVERNMENT DENIES MISTREATMENT OF GRENADA IMMIGRANTS

Port-of-Spain EXPRESS in English 27 Mar 84 p 1

[Text] THE Ministry of National Security yesterday denied a report that there were 400 Grenadians being held in inhumane conditions at prisons in Trinidad and Tobago.

Leo Seeberan, Permanent Secretary in the Ministry of National Security, said that there were not nearly 400 prohibited immigrants in detention and that such detainees were not subject to ill treatment.

Seeberan was responding to questions arising out of allegations made by a political party in Grenada concerning Grenadian illegal immigrants awaiting deportation from this country.

The newly-formed National Democratic Party reportedly sent a request to the interim administration in St. George's, asking for an investigation into charges of ill-treatment against Grenadians awaiting deportation.

The NDP said it had information that 400 Grenadians were being subjected to "very inhumane conditions" by prison authorities in Trinidad.

Seeberan said it was incredible that there could be 400 persons awaiting deportation from Trinidad. He said the prisons were overcrowded with regular prisoners and that would-be deportees were usually handled with quick despatch.

He said the law in Trinidad and Tobago required that a person being held for questioning about his status in this country be given a hearing by immigration authorities, adding that this was done within a few days of the person being put in detention. He said that when such persons were determined to be prohibited immigrants there were usually put on the first available flight out of the country.

Further, Seeberan said, the prison system in Trinidad and Tobago was said to be a "paradise" and that his ministry was often chided for paying too much attention to the conditions of persons in jail.

TOBAGO ASSEMBLY CITES PROBLEMS WITH CENTRAL GOVERNMENT

Robinson Report

Port-of-Spain EXPRESS in English 31 Mar 84 p 3

[Text] SCARBOROUGH: THE strained relationship between the government and the Tobago House of Assembly did not improve during 1983. In fact, according to Assembly chairman, A.N.R. Robinson, it has deteriorated.

"The Central Government seems to regard the Assembly as merely some kind of advisory committee with no executive or administrative powers or functions," said Robinson in the Assembly's annual report for 1983.

The four-paragraph, 97-word report is in itself an indication of the state of affairs existing between the government and the Assembly.

In 1981 and 1982, the annual reports were fairly comprehensive documents submitted to the minister by March 31 each year, in accordance with the Tobago House of Assembly Act.

The minister is then enjoined by the Act to lay a copy of the report in Parliament within one month of receiving it.

The 1983 report states simply that "the situation described in the second annual report for the year ended December, 1982, has not improved".

The report stated that "the matter of the interpretation of the Tobago House of Assembly Act referred to in the second annual report, has been argued and the judgment of the High Court is imminent".

In the circumstances, the Assembly does not consider it proper to comment further in the matter," it ended.

However, attached to the report, are 13 appendices which summarise the activities of the various divisions of the Assembly. But they were still being printed on Thursday evening when the report was tabled by Robinson at a meeting of the Assembly.

Assembly clerk, Clarence Warner, said an acute staff shortage at the Assembly delayed preparation of the divisional reports, but he hoped to have them ready for submission to the minister by Monday since March 31, the deadline, falls over the weekend.

PNM Walkout

Port-of-Spain EXPRESS in English 31 Mar 84 p 3

[Article by Compton Delph]

[Text] SCARBOROUGH--THE PNM Opposition members of the Tobago house of Assembly walked out of a meeting of the Assembly Thursday evening after a verbal clash between chairman A.N.R Robinson and Stanford Callender, leader of the PNM team.

Callender was ruled out of order and told to take his seat by the chairman after he accused the chairman of not having the ability to conduct and guide the meeting.

Callender's comments came in support of his colleague, William McKenzie, who was interrupted by the chairman after he accused the Assembly of failing to keep its promise to prepare the grounds at Buccoo used for the annual Easter goal races.

"I hope that it is not because the people of Buccoo did not support the DAC that they are being neglected," declared McKenzie.

"We do not behave like the PNM," Robinson replied.

"I am not qualified to say who behaves like who," said McKenzie

"The point is Mr McKenzie," the chairman continued, "your government, the PNM government, says we have no power to do anything and the civil servants as a result are not co-operating with the Assembly and are not carrying out our instructions."

"Are you telling us that we must pack up and leave," Callender rose to ask.

"What I am saying is that the government is saying that the Assembly has no power, and I am not going to take members coming here and saying we must do that and we must do this," replied the chairman.

McKenzie said he did not think the atmosphere was conducive to meaningful debate and that he expected that the chairman was there to guide the conduct of the meeting.

"I am trying to guide you, but you would not take guidance," responded Robinson.

Callender then charged that the chairman was showing a lack of ability to guide a proper meeting of the Assembly, whereupon he was ruled out of order and told to take his seat. He then led the walkout of McKenzie and Thomas de Noon, the fourth PNM member Mrs Beatrice Julien being absent.

After their departure, Assemblyman Hochoy Charles said that if McKenzie had remained he would have heard that levelling of the goat-racing ground had begun that very day, but he suspected that the PNM members did not want to hear that, and that was why they left.

CSO: 3298/705

CHAMBERS SCORED AS '86 ELECTION CAMPAIGNING OPENS EARLY

Hudson-Phillips Attack

Port-of-Spain EXPRESS in English 24 Mar 84 p 3

[Text]

POLITICAL leader of the Organisation for National Reconstruction (ONR) Karl Hudson Phillips has again charged Prime Minister George Chambers of being incapable of coping with crises, both economic and spiritual, in the country.

At the opening of the ONR's Pointe-a-Pierre office last night, Hudson Phillips said that despite the Prime Minister's "macho talk", this country was rushing to international banks, the International Monetary Fund and the World Bank seeking loans "which they will squander and misappropriate."

He said that there continued to be a high level of corruption in the ruling circles and that "the poor man would have to pay and suffer."

Said Hudson Phillips: "We said that the Government was not serious about productivity and

Dr (Ralph) Henry has proven that. We said that the DEWD programme should be reorganised. Look at what the government has done. For five months this programme has been shut down with no hope of alternative employment during that period for the DEWD worker."

Describing 1984 as a "water shed year" for citizens, Hudson Phillips said there is dire need for a change of leadership.

"The mere fact of change would be like a tonic to this country," he said.

Panday on Tobago Situation

Port-of-Spain EXPRESS in English 24 Mar 84 p 1

[Article by David Renwick]

[Text]

ALLIANCE Opposition leader Basdeo Panday ridiculed the Government side in the House of Representatives yesterday for apparently

not knowing what its own PNM members in Tobago were doing.

He based this conclusion on the fact that Minister Anthony Jace-lon, Minister with re-

sponsibility for Tobago affairs, had indicated that the Government side could not vote for the private member's motion urging the House to "take note of the second annual report of the Tobago House of Assembly" originally moved by Alliance (DAC) Member for Tobago West, James Ogiste.

The motion came up for debate again yesterday, which was private members day for the month of March and Panday, one of several Opposition speakers, expressed himself "amazed" that the Government had "refused to accept the motion".

"By refusing to take note of the report," he pointed out, with an air of incredulity, "the Government is refusing to take note of a report accepted by PNM members in Tobago. Does this mean the Tobago members of the PNM are divorced from the members of the PNM in Trinidad?"

The Government's attitude to the motion reflected its whole posture towards Tobago, which was one of not "taking note" of anything, the Alliance leader insisted. The relationship be-

tween the two sides had reached "such alarming proportions" that it threatened the "very fabric of the unitary state."

He seemed to think the crux of the matter was "power" and the PNM's unwillingness to share real power with Tobago. "All the PNM seems concerned about is how to regain power in Tobago and how to stay in power in Trinidad," Panday declared. "It has a paranoia about power. It believes somebody left it power in a will. What is so fundamentally wrong with the request of the people of Tobago for power over their own affairs?"

The report the House of Representatives was being asked to consider was basically about reforming the political relationship between Tobago and the central government in Port of Spain and Mr Panday, grasping the chance to return to one of his favourite themes, insisted that a Parliamentary committee be set up "to review the constitutional arrangements not only between Trinidad and Tobago but within Trinidad itself" since "our economic problems are a

direct result of our political problems."

Panday's colleague, John Humphrey (Alliance, ULF -St Augustine), warned the Government against pushing Tobago too far, lest it decide to "break away". If it did that, it would be able to claim its own economic zone which was likely to encompass most of the offshore resources, including natural gas, thus leaving Trinidad with little or nothing.

The fiery Opposition MP accused the Government of wanting to keep A.N.R. Robinson, Chairman of the Tobago House of Assembly, "isolated" in Tobago, so he would stay out of the politics of Trinidad. But Robinson, head of the DAC faction in the Alliance, "was the only opposition leader who had openly defeated the PNM."

If the people of Tobago were given a chance to opt for Robinson as Prime Minister of Trinidad and Tobago, rather than Chairman of the House of Assembly only, they would unhesitatingly choose the former, Humphrey averred.

PNM Discussion

Port-of-Spain SUNDAY EXPRESS in English 25 Mar 84 p 11

[Text]

THE PEOPLE's National Movement is a remarkably well disciplined organisation, one of the few in Trinidad and Tobago to have consistently maintained unity and good order over an extended period of time. So much so, that any signs of disharmony and discord emanating from that quarter have to be viewed as highly significant.

Thus recent events, as well as official and unofficial utterances, add up to an intriguing picture of internal conflict. Indeed, it may not be stretching it too far to suggest that a struggle is on for the soul of the PNM.

The overt signs are there — in Mr Chambers's refusal to actively campaign in the Local Government elections; in the

manoeuvring of Mr Francis for the vice-chairmanship of the party; in the public dissension expressed by prominent members of the Cabinet over the Watts affair; and, most recently, in the curious contretemps over Mr Chambers' "proposal" of Mr Martineau to be vice-chairman of the party, which has led one source close to the party to remark, "The appointment is null and void and the whole thing is just a big embarrassment to the party."

The present situation dates back at least three years. According to one scenario, when Mr Chambers was "appointed" to succeed the late Dr Eric Williams, few of the power brokers in the party were prepared for the eventuality that he would emerge as a strong and dominant leader in the mould of Dr Williams.

Mr Chambers's grandstand play in Woodford Square — "They too wicked; not a damn seat for them" — and his unprecedented landslide victory in the subsequent elections, changed everything. He had demonstrated a broad national appeal that transcended party lines, and he enjoyed a wider constituency than any other strongman in the party who may have had ambitions of his own.

According to one very credible theory which made the rounds at the time, Mr Chambers sought to drive home this lesson in the Local Government elections by virtually withholding his support from the campaign. "You need me!" was the message he wanted to disseminate to all and sundry in the party.

The move may have backfired somewhat — Mr Chambers could hardly have expected the Accommodation to win so big. But in any case he may have felt that he could deal with the Opposition when the time came. For the moment, the real struggle was within, not without.

However, things have not gone well for Mr Chambers since then, and the word from sources close to the party is that there is considerable dissatisfaction with his performance.

Right or wrong, Mr Chambers cut a sorry and unheroic figure over the Grenada affair; the economy has continued to falter; Tobago is like a festering sore. No one is impressed by Mr Chambers's braggadocio about showing Tobago who is Prime Minister.

There is a body of opinion within the party which suggests that the PNM should cut its losses in Tobago. The Assembly elections in November are expected to be a debacle, and one can imagine the impact this will have on Mr Chambers's and the party's credibility following on the heels of the local government defeat.

Mr Chambers is now being forced into the position of making election-style, grandstand plays to cover up for lack of policy and planning. Party groups, Women's League and Youth groups ritually endorse his positions; but he is using up his political capital.

With rival centres of power among traditional party elements grouped around the key figures of Mr Donaldson, Mr Francis and Mr Cartey, Mr Chambers has sought to consolidate his position and to put his own stamp on the party by introducing the technocratic element into his Cabinet and Government.

Mr Jacelon, Ronnie Williams, Wendell Mottley, Basil Ince, Dr Connell, Mr Eckstein and Mr Martineau all belong to this group. Their appointments initially met with grumbling from ordinary party people, who felt slighted, and subsequently the technocrats have failed to endear themselves either to party or the wider populace.

On the whole, Mr Chambers's new men have not fared well. Mr Jacelon seems unable to extricate himself from crisis in Tobago; Mr Martineau's image has been

tarnished over the Deyalsingh affair; Dr Ince's performance in the Grenada crisis can only be described as a fiasco; Dr Connell was less than adept at handling the food-poisoning situation; Ronnie Williams has gained few friends over his interference at TTT; Mr Mottley has been tainted by the Korean affair; and Mr Eckstein is saddled with the continuing problems with the public utilities. The list is long.

Furthermore, their actions and utterances are often tinged with the arrogance of intellectual snobbery and political naivete.

Elevating Ms Greene to a Deputy Leadership was perhaps a more astute move. The Women's League remains a crucial power base within the party. But Ms Greene has not impressed by her performance.

Mr Chambers's latest moves must be seen as an attempt to go one step further by placing his technocrats in controlling positions within the party, as distinct from the Government. And in this context, the key position of influence is that of the chairmanship; and, assuming that Mr Prevatt intends to step down, the vice-chairmanship is the natural stepping stone. Hence the intense jockeying that is going on between Mr Francis, on the one hand, and Mr Chambers's clients on the other.

Meanwhile, it would be reasonable to assume that Mr Mahabir, Kamaluddin Mohammed and Mr Manning are interested observers waiting in the wings.

The technocrats are part of that "new image" that Mr Chambers has been talking about. They are the inspiration behind the new thrust by the Government towards fiscal and budgetary conservatism and a cutting-back of welfare elements in its policy.

Mr Chambers and his gnomes would seek to propel us into a new world of efficiency and economic competitiveness. (That is the dream, the reality is something else.) The image is pluralistic, transcends race and tribe, and is based on the concept of "meritocracy".

On the other side there are those who cling to the Party's traditional populist approach, and who (perhaps correctly) perceive the continuing importance of tribal considerations and patronage in national politics. Hence Mr Donaldson's publicly expressed pique over the Watts affair, and Mr Francis's now famous dictum, "Another black man bites the dust."

It is risky these days to make generalisations about the PNM. The party has long ago evolved from being an organisation with a basic constituency among poor and lower-middle class citizens of African descent. The mature organisation has attracted support from a wide cross-section of the population and from the moneyed classes, whether "French Creole", Indian or African, who see their best bet in maintaining the status quo.

As such, there are many rival centres of influence in the party and, with its democratic traditions, there may well be consid-

erable pressure on Mr Chambers to play the game by the rules.

In view of the great potential for fragmentation and messy public bacchanal, the party's aging, but still feisty Chairman, Francis Prevatt, may well decide to hold on in order to keep the act together.

As Mr Prevatt has pointed out, the PNM has a tradition of being a tight-knit organisation. Sources of disaffection are attacked and ejected with the maximum of efficiency and the minimum of fuss. Party squabbles are dealt with discreetly — the degree of public consensus the party has been able to maintain would be remarkable, if the stakes had not been so high.

There may be a feeling that a little bit of internal wrangling may be a luxury the party can afford in a political off-season. However, this may be a dangerous illusion.

EXPRESS Assessment

Port-of-Spain EXPRESS in English 27 Mar 84 p 8

[Editorial]

[Text]

IF IT is one thing that observers of the political scene in Trinidad and Tobago have learned over more than two decades, it is not to underestimate the People's National Movement (PNM). More so its opponents, who, in a varied combination of opposition parties, have failed to dislodge the PNM from political rule for the past 28 years.

Last year, when the ruling party undeniably lost ground in the Local Government elections, opposition parties were naturally exuberant, not only because they had managed to pick up more seats than the ruling party but also because the PNM setback was taken as a sign of things to come. And there is little doubt that since the last general election in 1981, both the PNM and the opposition have virtually begun their campaigns for the 1986 poll.

Without admitting as

much, the PNM has been stirring the party faithful through a series of informal and formal gatherings, as was witnessed at Mayaro on Sunday when not only the Political Leader but indeed senior executive members and representatives of the various constituencies gathered to pay tribute to some of its founder and stalwart members. Occasions like these are in fact being used by the party to boost party morale and solidarity, with a clear eye on the next general election.

It is this context that we ought to view the reports of conflict and internecine struggle within the PNM. Not for the first time, we are hearing and reading of opposing forces, of potential threats to the old-stager hierarchy of the party and of possible purges and counter purges. There is said to be intense dissatisfaction within the party, both at executive

and ordinary level, with the administration of Mr Chambers. Signals are going out that Mr Prevatt, the indomitable chairman, and Mr Chambers are not seeing eye to eye.

One wonders, though, how much of this has real substance and how much of it falls within a classic ploy employed by the ruling party with great effect in the past: that is, to create the impression of internal upheaval, which in fact serves as a rallying point for the general membership, while at the same time confusing, and hopefully misleading, the opposition.

Prior to the last general election, for example, there was a great deal of speculation about whether Mr Errol Mahabir would run, a suspenseful tactic that was played out to the last minute. Indeed, the founder of the party once "resigned", only to return triumphantly on a recall from the membership.

This time around we are being treated to a slightly different scenario. It would appear that Mr Chambers is unhappy about some of the candidates nominated for membership in the executive, and his postponement of the party's executive elections is taken as one clear indication of this. Added to this, Mr Chambers has apparently manipulated the party's constitution a bit to get Mr Russel Martinneau appointed to the post of party vice-chairman.

Mr Prevatt has come along and challenged this (if, in fact, it is a challenge), arguing that Mr Martineau has not been properly elected, accord-

ing to the party constitution, and so, on April 15, there will be an attempt to clear this up by going through the formal procedure. In arguing this point with a reporter for the SUNDAY EXPRESS, Mr Prevatt also made it clear he is not out of the race for party chairman (given the speculation that Mr Martineau may eventually hold that post).

Inexplicably, Mr Chambers' reaction to our exclusive interview with Mr Prevatt on Sunday appears to have been to warn party members against believing what they read in the Press. Presumably, Mr Prevatt was either misquoted (though he has certainly not claimed this) or has given Mr Chambers the impression he was. In either or both events, Mr Chambers has made confusion more confounded -and this, we believe, is not accidental.

There has long been speculation that Mr Prevatt and Mr Chambers do not see eye to eye and, indeed, that to give the party the new image that Mr Chambers says he wants, it will mean replacing the old guard, among whom Mr Prevatt ranks supreme. On the other hand, there are political observers who do not for a moment believe that there is any real or substantial conflict in the ruling party but merely an attempt to consolidate its grip on power, one of the techniques being the distraction of alleged party conflict.

And the latter, we believe, is more likely the case.

Criticism of Chambers' Activities

Port-of-Spain EXPRESS in English 31 Mar 84 p 1

[Article by David Renwick]

[Text]

PRIME Minister George Chambers's official tour of San Fernando, which starts tomorrow, was fiercely attacked by Alliance Opposition leader Basdeo Panday in the House of Representatives yesterday as "immoral, unconstitutional and illegal."

The Opposition leader was provoked into this denunciation by a light-hearted comment from the Prime Minister that, since Panday seemed so interested in the tour, he might like to join him. But Panday quickly responded that he would not be a party "to an illegal act and the illegal use of public funds."

He condemned the visit, the first Chambers is making this year to a selected part of the country, as "clearly the use of public funds for campaigning" and insisted he would have nothing to do with it.

Government frontbencher and Minister of National Security, John Donaldson, apparently could not resist jumping to Chambers's defence and rose quickly to ask how could it be illegal for the Prime Minister of the country to visit citizens of Trinidad and Tobago at any location he desired.

This did not deter Panday, who was speaking on the motion to adopt the second report of the Finance Committee for the 1983-1984 session and therefore had money very much on his mind. He bounced back to enquire pointedly who was paying the bill for Chambers and his party's one-week stay at the Farrell House hotel.

The Opposition leader complained bitterly that he had filed a question concerning the cost of the Prime Minister's tour of Caroni last year and had been promised a reply which never came. Yet, here was Chambers about to embark on yet another trip, out of which he was sure the Ministry of Information ("an obstruction to democracy and to the progress of the nation") would make maximum capital.

Panday seemed incensed by the

additional funds for the ministry, included in the Finance Committee report, when money was needed for such necessities as a fire station in Chaguanas that residents had been demanding for a long time. Only the night before, there had been a fire in the town and extensive damage had been done.

"The Ministry of Information should not be given a single cent," the irate Opposition leader insisted. In fact, he thought it "should be shut down" for such misdemeanours as "sabotaging productivity in the country." He quoted with obvious approval, remarks on the Productivity Council's effectiveness made by its former chairman, Dr Ralph Henry, in an exclusive SUNDAY EXPRESS report, which included bitter complaints about the attitude of the Information Ministry.

Panday was eulogising Dr Henry as a man of impeccable character when he thought he heard Minister Donaldson make a disapproving sound and promptly enquired whether the Minister was impugning the former chairman's integrity. Donaldson hurriedly rose to "make it plain" he had done "no such thing." As far as he was concerned, Dr Henry was "an angel."

But the tone of the denial suggested something entirely different to Panday. "The Minister says he is an angel. One would have to be a child not to know what that means," he retorted.

The Opposition leader expressed himself convinced that the Ministry of Information was manipulating the electronic media and the new advisory committee on broadcasting was all part of the process of "brainwashing the population." He advised the Council to be careful not to make any proposals that the Ministry might not like. Otherwise it would go "the way of all flesh, as the Productivity Council seems to be doing."

This triggered off yet another intervention by Donaldson, who insisted it was not "an accurate reflection of the facts" to charge the Government with "wanting to use the media to brainwash the people".

Threat of Opposition Unity

Port-of-Spain EXPRESS in English 2 Apr 84 p 48

[Text] OPPOSITION Leader Basdeo Panday charged at a public meeting last week that the ruling Peoples National Movement (PNM) was concerned only with staying in power rather than running the affairs of the country.

Panday made the statement at a public meeting in Princes Town called by the National Alliance to deal with the effects of the 1984 Budget. The Alliance theme for the series of meetings was, "We Feeling it - The effect of the 1984 Budget on the people." It was chaired by Opposition Chief whip, Nizam Mohammed.

Panday said that since the Budget was passed over 260 items, including basic staples had been subjected to increased import duty and were now costing more at retail outlets.

Panday said that there was a tremendous increase in the cost of living. He said that parents were now forced to take their children out from schools because of transportation costs and the high cost of maintenance. He accused the government of mismanagement and inefficiency. He said the PNM had failed to inspire productivity because it was viewed by people as being incompetent to run the affairs of the state.

Referring to the incumbent Parliamentarian for Princes Town, Amoy Mohammed (PNM), Panday noted that within the last 28 months she spoke only twice in the House of Representatives. Said Panday: "It is clear that Amoy does not have a voice even in that party where there are only political jokers."

He continued: "You have the PNM on your backs and you must seek to get them off your backs through the constitutional method." He advised the audience to do the "electoral space work" in preparation for elections.

The Opposition Leader expressed optimism that the accommodation with the Organisation for National Reconstruction (ONR) will be strengthened.

Panday on Policy Failures

Port-of-Spain EXPRESS in English 2 Apr 84 p 3

[Text] GOD is running Trinidad and Tobago.

This was the view of opposition Senator Dr Sahadeo Basdeo at a public meeting in Princes Town at the weekend. The meeting was called by the National Alliance to discuss the effect of the 1984 Budget of the people of the country.

Dr Basdeo said that government had not developed a policy on the oil industry. He said the government was diverting crude oil from TRINTOC to the Texaco refinery at the detriment of the national treasury. Dr Basdeo said that from the attitude of the government, an oil policy will not be ready even after 1985.

Dr Basdeo pointed out that government had postponed "every fundamental proposal for nation building during its 28 years in power". He added: "Money cannot solve problems. It is the will and determination of people to deal with problems that will solve them". He said government must move to link the agricultural sector in order to solve some of the structural economic problems in the country.

ONR representative at the meeting Dr Robert Maharaj warned that the PNM was not wasting time, but campaigning for the next election. He urged the mobilisation of support to remove the PNM. He said the Princes Town Parliamentary seat was on loan to the PNM and in 1986, it will be reclaimed by the opposition. He said the national Press must be aware of what was taking place in Trinidad in relation to the EC-0 and EC-1 forms. He said government could use this to stifle the Press by refusing applications for the importation of newsprint. He said the Guyana government had used the EC-0 and EC-1 forms to deny newsprint to newspapers in the country.

Review of 'Unkept Promises'

Port-of-Spain SUNDAY GUARDIAN in English 8 Apr 84 p 3

[Text] "WHAT is right in the country must be kept right. What is wrong must be put right."

These were the dramatic and historic words that more than any others swept up the nation in the feeling of relief and hope three years ago when the death of Prime Minister Dr. Eric Williams left the country bereaved and unsure.

George Chambers was the man of the moment. His appointment on March 30, 1981, the day after the death of Dr. Williams, gave him the mantle of leadership that took on bright prospects for a new beginning when he accepted it with strength and humility three years ago.

The new Prime Minister showed himself to have a canny sense of perception, an interesting grasp of timing and just the right flair for the dramatic as when he uttered his stirring words about right and wrongs. The emotive appeal of those days came as a natural extension of his declared love of opera, and his skill in politics, both of which share many theatrical qualities.

To evaluate the performance of Prime Minister Chambers in his most important role, it is necessary to examine his initial statements in much the same way as a music critic would weigh the overture to an opera: and then select excerpts from subsequent acts and scenes to see whether he had been performing with consistency. Consideration must also be given to the audience--whether it has been getting the benefit of the sterling performance it expected and which it paid for.

Excerpts:

* "I shall endeavour through consultation and dialogue to involve all segments of the society in the exercise of economic management and in so doing make

the fullest possible use of the nation's talent. This is not a time to leave competent and capable people on the sidelines."

Over the three years, Mr. Chambers has done the exact opposite. He has methodically retreated from all but the staunchest party ties, adopting the same isolationist practices of his predecessor. Instead of enlisting segments in economic management, he has withdrawn from all but one or two confidants. Sometimes, even the Ministers in charge are not consulted, as when he sneaked out the EC-O forms. The result is an unproductive brand of economic management that is at a loss about how precisely to handle the present economic stresses.

Stringency

He has met stringency with more stringency; pressures with more pressures. Instead of providing new ideas and bright avenues, he has invoked the old bromides of tax and privation while his wasteful state companies continue throwing away the public's money, brazenly and with hardly an ounce of accountability. Where wrongs have become glaring, they have been maintained e.g., ISCOTT, PTSC, Methanol, Urea, TRINBOARD, Trinidad and Tobago Printing and Packaging Ltd., etc.

* In those fateful days three years ago, the then new Prime Minister called for greater efficiency and improved management in the Public Service to be centered around the decentralisation of decision-making, delegation of authority, clearer definition of responsibility, and effective monitoring and accountability.

This dream simply has not materialised, Mr. Chambers himself is so dissatisfied with conditions in the Public Service that he has appointed yet another committee, this time under Mr. Reggie Dumas, to have a look at the service and to make recommendations. Back to square one.

* Three years ago newly-minted Prime Minister Chambers called for a vigorous agriculture sector, pointing out that despite substantial capital injections, it has not responded satisfactorily. Three years later, the agricultural sector continues to respond unsatisfactorily---even worse.

Let us choose a specific example, that of citrus, which was once a proud product, and abundant product reaped from acres of rich, green orchards, trimmed, orderly, and laden with golden fruits. The golden fruit collected in 1974 and delivered to the principal packers weighed 27.1 million kilograms. By 1982, this had plummeted to a disgraceful level of 1.8 million kilograms.

No, these figures are no error. Citrus production actually fell to one-fifteenth of the level of 1974.

The situation is not much different in other areas. Cocoa was king at the turn of the century. The king has since become the lowliest of the paupers today. Coffee isn't far behind.

Disturbing

What is particularly disturbing about this decline in agriculture, which includes sugar, is that it coincides almost exactly with the year 1956. And when the halcyon years of high petroleum earnings got into gear in the seventies, the already suffering "patient" took a turn for the worse.

Mr. Chambers's Government has deliberately or otherwise refused to come to grips with the problem of falling agricultural production--a wrong that continues to get more wrong. Instead, his minions in the Ministry of Agriculture now want the private sector to subsidise cocoa and citrus by becoming the benefactors for families and farmers and apying the cost for expertise.

This trend has many dangers. It deprives people of initiative. It rewards indifference. It makes individuals weak and dependent. Most importantly, it seeks to extract yet another tax and also takes yet another step towards leaden socialism with its certain decline in living standards.

* At the start of his term of office, Mr. Chambers aimed at creating a viable secondary manufacturing sector increasingly geared to exports. The results have not borne out this promise. Instead of creating systems and fiscal encouragement to galvanise exporters into producing, he has dropped the heavy hand of more than tax burdens.

For instance, having paid one's corporate and personal tax, it has now become a requirement for the people to pay a health tax. The public is now nervously wondering whether there will be a water tax next year, or some such, to pay for items once covered by regular--and lower--taxes.

The pain is worsened when one considers the agility with which new penalties are applied, e.g. unemployment taxes, departure taxes, point-of-sale taxes and others. The authors of increasing taxation fail to mention that the majority of stresses have been created by the bureaucracy itself.

* Another objective outlined three years ago by Prime Minister Chambers was the establishment of a Ministry of National Transport "to ameliorate the horrors in getting to and from school and work."

Despite the fact that there have been some good renewals--particularly in Port-of-Spain--too many roads have falled victim to abuse, neglect and no maintenance.

Even where new highways are created, a cancerous embarrassment gets in the way of total fulfilment, e.g. the Guyamare constriction on the Princess Margaret thru'way where a handful of villagers is holding a nation's progress to ransom. We are tempted to suggest that Mayor Sarjeant, the acknowledged expert on solving squatting problems, be handed the portfolio that Hugh Francis is unable to carry. Then there is the infamous one-year hole in the Beetham Highway whose repairs we trust will be completed before the end of 1984.

If anything, getting to and from the work-place and the school-bench has taken on more horrors than before.

* The new Prime Minister in 1981 called for improved hospital management. All reports would indicate that his call has not been very well heard. The hospitals remain congested and inefficient. Emergencies still have to be flown to Miami and elsewhere for expert attention. Indifference rankles and ravages. There are hundreds who would attest that if they did not have the money or the backers to get them overseas, they would be dead because the wait at the hospitals is impossibly long.

* The hopeful George Chambers in the wake of Dr. Williams's death, proposed a Ministry of Housing and Resettlement to deal positively "with the vexed and escalating problem of squatting." Too little and too late seems to be the lament. Stout efforts are not equal to the 170,000-unit backlog. As a result, more shacks are climbing, extending, and making their own curiously artistic disfigurements over hill and dale. Sad but true, they represent blights of design, layout, communication and, above all, health.

Yes, have a good look at the lands around you, the hills surrounding Port-of Spain and those extending into Morvant. Because by the year 2000, we could become a lot like Caracas and Rio where the social tensions of mountainside shanties and urban wealth daily become from frighteningly taunt.

* When in 1981 Prime Minister Chambers declared to much applause that the Racing Complex and the Malabar housing project would be terminated, he added, "I am aware that other matters have been the subject of criticisms...due consideration will be given to them as more information becomes available to me." Whatever became of that promise? Has he forgotten the criticisms levelled at the DC-9 affair, the colossal waste in Government and state enterprises?

Criticisms

Why has he preferred to ignore the criticisms by the public of Dr. Ken Julien who continues to flaunt his insouciance and insensitivity and point blank refuses to give detailed declarations of his numerous expenditures of public funds? Has the Prime Minister developed a deaf ear to the censures of a beleaguered nation suffering hundreds of power outages each year? No one at T&TEC, not even the chairman--the irrepressible Dr. Julien--has been removed or replaced. They all enjoy the unwavering confidence of Mr. Chambers who is obviously pleased with shoddy performance.

Why is he virtually unmindful over the loud and long complaints about the disappearance of a former Cabinet member under considerations of defalcation, whose last residence was Panama?

* Three years ago Prime Minister Chambers concluded his new outline with the rousing statement that a "fitting and a lasting memorial" will be erected to the late Dr. Eric Williams. Where is it? Has it, too fallen to the same fate as lost bureaucratic documents or abandoned plans? Has it been treated with the same disregard and disdain as the expensive development programme prepared

years ago for the Chaguaramas peninsula and which Cabinet has refused to open or look at? Incidentally, that area is slowly falling victim to "brethren" (squatters) from Grenada, St. Vincent and elsewhere.

Why has he disregarded public concern over the rusting, ribbed skeletons of sports fields unfinished, and tennis courts abandoned at George V. Park? When will these and other matters receive "due consideration?"

* It is curious that when Prime Minister Chambers outlined his plans three years ago he spoke of establishing a Public Information Service to facilitate better communication between Government and the citizens. What has been happening is that he sees this improved communication at the virtual exclusion of private enterprise media.

* Not satisfied with a monopoly on television which nightly hammers the wearied and numbed public with endless political news about the Government, and has even killed the lively and imaginative introduction to Panorama, he has also stiffened his campaign to prevent others from entering the electronic field.

At basis here is freedom, freedom to communicate and broadcast--a right enshrined in our conveniently recalled and just as conveniently forgotten Constitution.

Bludgeon

Murdering the initiative of citizens is one thing. The bludgeon is now being swung at the existing private media. Observe the pattern. Prime Minister Chambers goes to Mayaro and unleashes his "gun talk" about the Press. A survey on response to Government programming gets underway. A big "bru-ha-ha" is made about reviving the PNM newspaper. Miss Green declares the electronic media are far too important to be left to their own devices.

It is clear that the pattern is leading to this conclusion--the economic and social failures of the Government are forcing them to look for scapegoats. The public is encouraged to feel that it is being misled by the Press. That if the Government does not control and censor them, the economy will worsen.

The similarity to Dr. Williams' condemnations of the Press, is unmistakeable. The pupil also blames the Press for everything, refusing to accept his responsibility to communicate regularly and fairly whether by Press conference or otherwise. So much easier to consign the Press to the flames--as Dr. Williams did when he burnt the "Guardian" in Woodford Square.

This is the standard pattern of failing governments. Unable to answer criticisms and at a loss to improve the common weal, they turn on their critics. This also gives the public a display of operatic theatre, with lots of distractions to anaestheticise the pain of declining fortunes. So distracted that few are aware that the oil industry is slowly dying under the yoke of anachronistic tax laws whose amendments are now two years overdue.

The fear of freedom and free media is also being increased by Press attention to the horrible mismanagement of ISCOTT and the greedy, brazen grabbing of wealth by many of the top people whose capacity to manipulate, and to steal, has created a stench that no amount of repression of the media will relieve.

Three years ago, this country got hope again with the landslide and historic victory of the PNM under George Chambers. So many citizens said "he has the mandate to put the wrongs right," but alas, we're still in the same old khaki pants.

CSO: 3298/707

BRIEFS

SURVEY OF MEDIA--THE Ministry of Information is to begin an opinion survey on Government radio and television programmes and publications, beginning Monday. A statement from the ministry said that the survey would be conducted in conjunction with the Central Statistical Office. It said also that preliminary work on the survey had been completed and interviewers would be visiting homes throughout Trinidad and Tobago over the next few months. It listed the objectives of the survey as follows: To identify the interests of television and radio audiences in the programmes of the Ministry of Information; To find out citizens' informational needs and To determine feedback mechanisms. [Text] [Port-of-Spain EXPRESS in English 24 Mar 84 p 3]

CEMENT SHORTAGE--HARDWARE dealers said yesterday that the local construction industry had virtually ground to a halt and warned about further retrenchment of hardware and construction workers if the cement shortage was not solved by next week. Several hardware dealers and their association, Hardware Dealers Co-operative Society Limited (HDCS), yesterday complained that the cement shortage which has been triggered off by industrial unrest at the Trinidad Cement Limited (TCL) plant at Claxton Bay, was having serious effects on their trade. "We sympathise with the problem but the public is held to ransom," HDCS President Emmanuel Ojar told the EXPRESS San Fernando desk yesterday. Block manufacturers have also complained about the shortage and so far, 200 block workers have been laid off. Said Ojar: "If we were getting five loads over a period, we are only getting one load of cement now." [Excerpt] [Port-of-Spain EXPRESS in English 24 Mar 84 p 3]

HOUSING PROBLEM--HOUSING Minister, Wendell Mottley, conceded yesterday that the need to house citizens of Trinidad and Tobago was the most potent political problem that the Government faced at present. Mottley was speaking to reporters at yesterday's monthly ministerial news conference, organised by the Ministry of Information. Mottley said that the ministry was concentrating most of its efforts in meeting the housing needs on providing shelter to persons who were seeking to own homes for the first time, rather than on persons wanting to embellish existing structures. Mottley said earlier that the ministry was at present handing out 70 keys a week to persons qualifying for homes under the Government's housing programme, adding that this figure was to be increased in the ministry hoped to reach the targetted 3,007 handovers of housing units for 1984. In answer to another question, Mottley hazarded a guess that there was a backlog of about 40,000 cases of persons or families

who needed public housing. Referring to the ministry's \$337.7 million capital expenditure programme for 1984, Mottley and his Permanent Secretary, Ainsley Tim-Pow, reiterated earlier positions of a shift in policy from finished, mortgage type accommodation to the provision of building lots and projects in basic units which would have to be further developed by the homeowners. Tim-Pow said that the ministry was allocating \$20 million in 1984, through the National Housing Authority, for persons who were allotted building lots for the purpose of erecting homes. He said also the ministry allocated about \$42 million each year in direct loans programme for similar purposes. [Excerpts] [Port-of-Spain EXPRESS in English 28 Mar 84 p 1]

LEAD MILL--AUTOMOTIVE Components Limited recently commissioned its lead mill in Arima--the first in Trinidad and Tobago, according to a Press statement from Neal and Massy Holdings limited. It said that the setting up of the mill to supply battery manufacturers was thought by the company's management to be one viable way of improving the country's foreign exchange deficit. ACL will now save over \$2 million in imported oxide annually and, in addition to supplying the local market, will soon be able to export the commodity. By May, the plant should be able to achieve its maximum output of six tons daily, the statement said. The entire oxidation process is computerised, from the feeding of the virgin lead into the process to the production of the final oxide pasted plates. [Text] [Port-of-Spain EXPRESS in English 3 Apr 84 p 14]

CSO: 3298/707

INTEREST ON PUBLIC FOREIGN DEBT AMOUNTS TO \$52 MILLION

Caracas EL UNIVERSAL in Spanish 30 Mar 84 p 1-14

[Article by Fanny Perez V.]

[Text] As of today, the balance due on the interest on the public foreign debt is \$52 million, according to information supplied by an official spokesman of the Finance Ministry.

This figure reveals that the administration has made great progress in eliminating the enormous delays in interest payments on the debt of the decentralized administration agencies. This problem has been a constant obstacle in talks Venezuelan negotiators have been carrying on with international creditor banks.

It is well known that the banks have consistently told the government that it must bring its interest payments up to date and normalize them, both for the public debt and the private debt, as a sine qua non requirement for progressing in negotiations to refinance the foreign debt.

During the latest talks, held under the strictest secrecy, between banker Francis Mason, central coordinator of negotiations for the Banks Advisory Committee, and the president of the republic, Jaime Lusinchi, the banks' demand regarding interest payments was once again on the agenda.

The president, who promised to normalize interest payments on the debt, ordered the Finance Ministry to take all measures necessary to fulfill this obligation.

In view of this situation, the payment of interest was ordered accelerated after the second half of March, at which time back interest amounted to \$172 million. This interest was owed by a group of decentralized administration agencies that have always been known for being behind on their payments to creditor banks.

Nonetheless, since that time, substantial progress has been made in the payment of interest by the republic, to the extent that we are only \$52 million in the red (arrears) now.

It was learned that the interest payment orders over the last 2 weeks totaled \$80 million, while yesterday and today the Finance Ministry processed a total of \$40 million in authorizations to withdraw foreign exchange from the Central Bank of Venezuela.

The greatest efforts to clear up these payments in arrears has been made in those decentralized administration agencies that have enough liquid assets to obtain the dollars needed to pay the interest. The agencies where such efforts have been made are: the Electrical Administration and Development Corporation (CADAPE), the Caroni River Electrification Project (EDELCA), the Venezuelan Corporation for Development (CVF), the Venezuelan Corporation of Guayana, and the Agriculture and Livestock Development Bank.

CVF to Eliminate Arrears

It was also learned that as part of this effort to bring interest payments on the public foreign debt up to date, the Venezuelan Corporation for Development will have completely paid off its back interest within 15 days.

The CVF, a public agency which has been a constant headache for those negotiating the debt as well as bankers, because of continual delays in the payment of its obligations abroad, will no longer be the principal obstacle in the republic, because the government absorbed the credits within the overall process of refinancing the public foreign debt.

There was a great deal of activity at the Finance Ministry yesterday--specifically at the General Office of Public Finance--because of visits by creditor bankers from various parts of the world.

These representatives of international creditor banks took advantage of their attendance at the World Conference of the Inter-American Development Bank in Punta del Este, Uruguay, to make a stop in Venezuela and review progress on the payment of commitments, and to determine how far behind interest payments are.

Private Foreign Debt

As for progress on paying the interest on the private foreign debt, the presidential commission named to study this matter met last Wednesday at the Finance Ministry offices until late at night. The ministers refused, however, to give details on the results of the meeting. Today that commission will meet again at the Finance Ministry headquarters, and it was promised that a report would be forthcoming on the first private firms whose debts were finally recorded in the registry, meaning that they can obtain dollars at the preferential rate to pay their creditors abroad.

It was also reported that Finance will keep in strictest confidence the names of the firms that will be recorded on the foreign debt registry to be maintained by the Differential Exchange System Office (RECADI). It was promised, however, that information would be provided on the quantities of dollars owed by those private Venezuelan firms.

RECADI will be in charge of notifying each debtor of its selection by that commission, which is composed of representatives of Finance, Development, CTV, FEDECAMARAS and RECADI.

INTERIOR MINISTER ON NEED FOR PARTY UNITY, OTHER ISSUES

Caracas EL UNIVERSAL in Spanish 24 Mar 84 p 2-1

[Text] Octavio Lepage condemns those in the Democratic Action (AD) who might be trying to capitalize upon discontent for exclusively personal purposes.

The minister of foreign relations observes the existence of a trend in that direction, although he considers it very small.

In making his condemnation, Lepage named no names, but it was obvious whom he had in mind.

The government official visited party president Gonzalo Barrios early yesterday to bid him farewell.

"The basic purpose of the AD and all its leaders is to provide uniform, solid, militant support for the government headed by Jaime Lusinchi. Any activity, move or measure that might compromise that resolute, uniform support is a mistaken, harmful action."

Likewise, he came out against the internal struggle already being waged for the 1988 presidential candidacy.

"With regard to my own aspirations, I have said that they are on ice and that they will remain there for at least two more years."

Government Action

"What is your opinion, as a political leader, about the development of the government's work?" he was asked.

"The government is only beginning. Anyone who objectively views the steps taken by the president and his government, the economic measures announced to the country, has to come to the conclusion that they are being scrupulously adjusted to the promises made by Dr Lusinchi during the election campaign."

"Is what has been done so far going in the direction of the materialization of social democracy?"

"Without a doubt, there is a condition that must exist for any other development and that is the recovery of the economy. Logically enough, the president has concentrated his efforts on restoring the country's economic health, which was totally deteriorated. Once that prerequisite is achieved, it will then be possible to imprint on government action that social projection to which we are committed and which the country wants."

After pleading for all AD leaders to work behind the government, the minister said:

"One can observe -- fortunately on a very small scale -- the tendency to capitalize upon the discontent. The work of the government and of those included in it is very difficult and delicate because one always has to choose between several alternatives, almost always having equal merit and equal rights. If the president is going to choose his ministers, he must choose as many as there are Cabinet posts to fill and if there are candidates with the rights and talent to occupy ministerial functions who are not in the end selected -- because one does finally have to make a choice -- this is inevitable and must be accepted as normal.

"Now then, if someone should whisper to those candidates that they were disdained or neglected, that they were treated unjustly, then that leader or person wanting to capitalize upon the discontent is perhaps obtaining an advantage, a very transitory one to be sure, in the sense of having some appearance of support and popularity, but he is doing grave harm to the AD and the government.

"I have spoken of ministers and as one goes down the ladder of public service, the number of candidates increases. And for every post that the government has filled with the appointment of an official, there is another with many persons, many comrades with the capabilities needed for the post, many who need the post because they have been out of work or suffered political persecution over the past 5 years. But someone has to be chosen and if they continue that work of capitalizing upon discontent, then there could soon emerge a very serious problem inside the AD."

Lepage hopes that members, the intermediate-level officials and top leaders in the conservative camp will understand that such an attitude is harmful and those interested in such personal proselytism must be dissuaded.

The minister of interior relations later said that party leaders must make decisions and take action to prevent any kind of deviation signifying deterioration of the uniform support the government needs from the AD.

"Do you share the opinion that the internal election process in your party must begin in 1985?" he was asked.

"I believe that this year, we must completely discard internal elections, but they could take place next year. It is not proper to postpone internal party elections too long. If I were to give dates, I would say that they should be held in the course of 1985."

Freezer

In response to another question, he said it was a serious mistake to move up the fight over the presidential nomination for 1988.

"As far as my own aspirations are concerned, I have said that I have them on ice and that they will stay there for at least two more years. Anyone who names me or acts in my behalf as a possible candidate is doing so without any authorization from me."

"It is claimed that you have already set up an organization."

"I do not believe in such organizations. I would think it a serious mistake on my part to set up an organization at this point. That is consequently pure speculation."

No to Reelection

Another question taken up in the talk with newsmen concerned the presidential reelection.

Lepage said he was a resolute adversary of reelection.

"I am for ruling out reelection absolutely, definitively. I am convinced that it does much more harm than good, although it is also true that it has its advantages. However, the disadvantages are greater."

"In the process of consolidating and perfecting democracy in the country, I believe that there is sufficient Venezuelan and Latin American experience to believe or conclude that reelection is harmful, pernicious. I have also said that I would not agree with any move aimed at invalidating the option of Carlos Andres Perez in the 1988 elections. That would seem to me to be a serious error."

"So Carlos Andres Perez should take the initiative and give up his possible aspirations?"

"I cannot answer that kind of question. The logical conclusion of what I have said is that I would agree with a constitutional amendment against reelection, but with the provision that it would not go into effect until after 1988."

In conclusion, Lepage was asked about the effect which the economic measures could have for the AD in the municipal elections.

"The country knows, because we have shown on various occasions, that when we have had to choose between what is good for the country and the party, we have always opted for the national interest. Consequently, independently of the fact that they may do us harm, we are determined to apply these measures announced by the president. In our opinion, the measures are absolutely indispensable for the revival of the economy, which is what the country is waiting for. In addition, I am sure that a nation like the Venezuelan nation

which, as Gallegos said, 'does not know how to read but can write,' will realize perfectly well that these measures, with all the sacrifices they imply for everyone but particularly the lower-income groups, are inevitable and I do not believe that there is any inclination to castigate the AD politically for having taken them."

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CSO: 3348/348

BCV INTERVENTION LEADS TO FURTHER CURRENCY DEVALUATION

Caracas EL NACIONAL in Spanish 28 Mar 84 p D-1

[Article by Amado Fuguet V.]

[Text] During what could be described as the most tumultuous and nerve-wracking day on the exchange market so far this year, the dollar surged dramatically, rising by almost 1 bolivar over the price at closing time Monday, when it was pegged at 13.70 bolivars.

Yesterday the U.S. currency climbed above 14.50 bolivars. But this time the increase did not come about because of the upward trend of the free market, but because of an unexpected intervention by the Central Bank of Venezuela, which by mid-morning communicated to the banks its offer of dollars at 14.45 bolivars.

Every week for a month, the Central Bank had been repeating its sales price to financial institutions of 12.95 bolivars to the dollar, so that the banks' customers could purchase the currency at 13 bolivars. But yesterday the monetary agency changed its offering price, raising the value of every dollar in its operating reserves by 1.50 bolivars. Thus, by selling dollars to banks at 14.45 bolivars, it drives the price the public pays at those intermediary institutions up to 14.50 bolivars, considering that these middlemen are allowed to charge 5 cents per unit under exchange agreements.

In response to the Central Bank's offer, several banks ordered large quantities of foreign exchange, because yesterday their reserves diminished considerably and sales to the public were consequently restricted, which in turn made the latter demand more dollars.

Today the Central Bank is expected to indicate what quantity it will agree to sell the banks at the price promised yesterday.

Jittery Market

The BCV's attitude surprised bankers as well as traders on the parallel market and exchange office operators. At mid-morning, when the new price being offered by the institution became known, the market got the jitters and the opening price of the day, approximately 13.70, quickly soared to the level indicated on the telexes sent by the monetary agency.

No one understood clearly the reasons for the BCV's decision to sell its dollars far above the price the market had reached Monday. But the reaction by buyers and sellers was impressive.

Traders on the free market, many of whom are stock brokers, repeatedly interrupted the securities trading session to engage in dollar transactions among themselves. The phone booths at the Caracas Stock Exchange were in constant use by brokers who, having called their clients, came out to offer to buy or sell dollars to their colleagues, trying to make the most of the situation.

One broker confessed that at the close of Monday's session he had bought 700,000 dollars at the 13.70-bolivar rate to keep as a reserve for the following day's session, without knowing that the BCV would send the price of the currency sky-high. "I just made a killing," he said. "I sold my dollars at 14.50 and made half a million bolivars on the deal."

Similar cases took place all day. The traders who found out about the BCV's new position first got the biggest cut, because they bought dollars from people who did not know what was going on at less than 14.00 bolivars. Hours later they sold them at 14.50, 14.60 or 14.70, where the prices were hovering as soon as the Central Bank's intervention was made known.

On the entire parallel market, which is known for its large-scale transactions, the day was very hectic. One of the principal traders noted that at the moment there was no tally of the volume of transactions, but the total undeniably would break all records for this year.

Another middleman who operates on this market claimed that many of his clients exercised caution about the purchase of foreign exchange, because there was some uncertainty about the objectives being pursued by the BCV in yesterday's action.

Exchange market sources commented that the institution may maintain this price of 14.45 bolivars for several days, as it did with the 12.95 price, and the old 9.90 price that prevailed during the previous administration.

Tight security was maintained at the BCV, although it was learned that Minister Manuel Azpurua, BCV President Benito Raul Losada, and official Leonor de Gonzalez had decided to intervene in this manner after meeting Monday evening.

Last night the board of directors was supposed to discuss the situation of the free market at its weekly session.

In exchange offices, meanwhile, the chain of events was similar to that on the parallel market. Without any ceilings, the sales prices changed constantly. Halfway through the afternoon, transactions were voluminous at a sales price of 14.60 and a purchasing price of 14.45, but by closing time, these prices dropped to 14.50 and 14.35, respectively.

In New York and on other international exchange markets where bolivars are traded, transactions had slacked off days earlier, but they picked up at this time, with prices exceeding the BCV's offer by over 10 cents.

It was commented that the monetary agency's objective was probably to obtain higher exchange earnings by getting more bolivars from the increased price of its dollars, but after a while, when the debt has been refinanced and the economic measures have been put into effect, it will probably drop the exchange rate of the U.S. currency.

The main criticism, in any case, was that by intervening with this price it caused the currency to jump sharply, which runs counter to its policy of avoiding sudden moves on the exchange market.

We must wait and see what happens today, however, to get a better idea of the strategy being pursued by the country's top monetary agency.

8926

CSO: 3348/350

CTV PRESIDENT CALLS FOR CLOSER RELATIONSHIP WITH FEDECAMARAS

Caracas EL UNIVERSAL in Spanish 28 Mar 84 p 1-12

[Interview with Juan Jose Delpino, president of the Confederation of Venezuelan Workers, by Sofia and Carlos Rangel on the Venevision program "Buenos Dias"]

[Text] Juan Jose Delpino, president of the Confederation of Venezuelan Workers (CTV), denied that relations between the Venezuelan Federation of Associations and Chambers of Commerce and Industry (FEDECAMARAS) and the workers' federation have soured, and went on to emphasize repeatedly that he feels the CTV has an obligation to contribute more effectively to the solution of the country's economic problem, and in that regard it must ensure that government-management-labor relations become increasingly strong, healthy and united. This statement was made during an interview with him on the Venevision program "Buenos Dias," with Sofia and Carlos Rangel.

[Question] The CTV Advisory Council studied the situation and the position of the labor movement after the first 50 days of the new administration. Juan Jose Delpino's statement at that meeting to the effect that the CTV has no commitments either to Democratic Action (AD) or to the government, drew some attention. What are the implications of that statement?

[Answer] That statement is reiterative; we have said the same thing on several occasions. The CTV is not committed to any party, any businessman or any government . . . ("A lot of people think that it is committed to AD," said Carlos Rangel.) . . . Part of the CTV Executive Committee and a majority of the workers in the CTV are members of AD and naturally have commitments to AD, including myself. Thus, it is appropriate to emphasize that in this manner at this time because what is most important is that we defend the interests of the workers, and most especially at this time, that we defend their wages. These wages have been eroded by the measures that the government has practically put into effect already. Since the CTV is an all-inclusive organization, not only does its membership include AD members, but also people of all political persuasions, and their voices must be heard.

[Question] So it can be clearly inferred that the CTV is dissatisfied with this series of measures?

[Answer] The CTV has always said that it is dissatisfied with the measures because we could not possibly be happy with measures that will harm workers. It appears that the compensation the government has offered is more like an expectation, because these measures cannot be implemented in a matter of days; they will take months. For example, we can't just talk about the family basket; we must do something about it.

[Question] You say that the measures that erode wages are already in effect ("They are," said Delpino), but the compensation is not.

[Answer] No, not yet.

[Question] Is that why you object to the measures?

[Answer] Among other things, that is why . . . ("And what other objection do you have?" asked Carlos Rangel.) The other fundamental objection is that we are complaining about unemployment. If the unemployment rate were not as high as it is, raising the price of a staple good by a bolivar or two would not make any difference, because people have to buy these items no matter how expensive they are. That is why we claim that the country's tax system must be reformed, not using that empty and demagogic phrase about taking more from those who have more and less from those who have less, but because petroleum will no longer increase our revenues, and public investment programs will have to be financed from some other source.

[Question] That position by the CTV is disturbing. In Venezuela, since the state owns the oil, it has become the owner of everything. And if on top of that another tax reform program is implemented in addition to what was already done--because we could interpret the increases in the prices of consumer goods and fuel and the increase in the price of the dollar for the average consumer as a kind of tax that will raise some 25 to 30 billion bolivars for the state and take that amount out of the private economy of Venezuela--then we would run the risk of really extinguishing the private sector.

[Answer] No, no, we do not intend to have higher taxes imposed on the people, but rather to make the Treasury collect existing taxes more efficiently; the Treasury has a kind of captive clientele, wage-earners, but there are also people who do not pay.

[Question] That is very interesting. The CTV does not propose tax reform in the sense of raising taxes for anyone, neither natural nor moral persons, but it wants existing taxes to be collected more effectively.

[Answer] That's right, to improve the collection of taxes, to allow no one to evade taxes. When this is achieved, the government will have enough money to finance all the public investment programs it has in mind.

[Question] What is the CTV's reason for objecting to the partial assumption of the private foreign debt?

[Answer] No, no, we have not objected to that; on the contrary, long before the private foreign debt was assumed, we said that it was fair for the

government to recognize private debts contracted before 18 February 1983 at the preferential dollar rate, that is, they could be paid at 4.30 bolivars to the dollar. We said that, and now we cannot object because we were the ones who came up with that idea; we recommended that the government take that measure. What we are saying is that business has had its request honored, while ours has not been. We think the government's proposals for compensation are very good. What we are saying is that they are dormant; that is, they will not be implemented for 3 or 4 months, which causes us serious harm because we continue with the same wages.

[Question] Then why do we get the impression that relations between the CTV and FEDECAMARAS have soured, and that the assumption of the legitimate private foreign debt contracted before February of last year is a gift, a subsidy, a present, when actually it involves not confiscating from that sector practically one-third of its capital because it would have gone bankrupt? ("That's right," said Delpino.) How has this confusion arisen out of a confrontation?

[Answer] There is no confusion, but a somewhat dissident voice has arisen within the Executive Committee of the CTV, from non-AD people on the Executive Committee who feel that assuming the private foreign debt at the preferential rate of 4.30 bolivars to the dollar is a kind of subsidy . . . ("But not the AD people," said Carlos Rangel.) . . . Not us, because we promoted the idea, and we did not do so to help out business; we had no reason for it other than the simple fact that not recognizing that debt meant the ruin of a large number of businesses, and that also meant that a large number of Venezuelans, workers, would be in the street, out in the cold, out of work. Furthermore, it is not true that relations between labor and management have deteriorated; we proposed at our recent Advisory Council meeting that the government form a tri-partite institutional commission made up of government, management and labor representatives, which would meet frequently to discuss all problems related to this tragic economic plight in which we find ourselves. Nevertheless, I think our obligation to contribute more effectively to the solution of the country's economic problem dictates that government-management-labor relations become increasingly strong, healthy and united.

8926

CSO: 3348/350

ANDRES PEREZ ON NOMINATION OF HIGH OFFICIALS, OTHER ISSUES

Caracas EL UNIVERSAL in Spanish 30 Mar 84 p 2-1

[Interview with Carlos Andres Perez, former president, by Ricardo Escalante: "Agreement Had to Be Based on Mutual Respect"; date and place not given]

[Text] Carlos Andres Perez deplored the fact that the attorney general, the comptroller and the Supreme Court judges were chosen without an AD [Democratic Action]-COPEI [Social Christian Party] agreement.

However, in his opinion, that understanding could only be achieved through mutual respect and recognition of the position and rights of the majority party.

The former president discarded the possibility of any negative consequences for democratic institutions because of the lack of an agreement between the main parties.

"Now when the AD has received a clear mandate from the Venezuelan people, it is impossible to drone on about the lack of compliance with the Constitution. It sticks to the Constitution and the decisions of the top level of the judicial branch which is a fundamental branch in a democratic state...."

Yesterday the long-standing COPEI senator gave his opinions on the impasse between the government party and the opposition as well as on other topics.

As to the parliamentary debate on economic measures, he revealed interest in participating.

He also announced his willingness to lead a more active party life and to campaign for AD candidates in the municipal elections.

I Deplore No Agreement Was Reached

Most of the interview revolved around the appointment of the attorney general, comptroller and the five judges on the Supreme Court of Justice.

"The understanding between the two most important factions in Congress--that is, between the AD and COPEI--is advantageous. I think it was a good initiative taken when the democratic process in the country began.

"From this point of view, I very sincerely deplore that an understanding could not be reached to appoint those high officials. However, I must say that this understanding has to be based on mutual respect and recognition of the position and rights of the majority party."

[Question] Doesn't this mean that only people identified with a party are chosen for those positions?

[Answer] No, it does not involve appointing an attorney general, comptroller or members of the Supreme Court of Justice from a certain party. We must categorically refuse to let these positions--whether held by persons who sympathize with or are active in a party or are independent--obey party mottoes or commitments. They must signify a true guarantee of impartiality. From this point of view, the agreement between the two parties is very important and advantageous for our democratic institutions.

[Question] The AD has the blame for this lack of agreement, according to COPEI. What do you think about this?

[Answer] No, it was not the AD's fault. It must be remembered that Congress, the state institution that should demonstrate the closest adherence and respect for the law since that is where the laws are drawn up and approved, is several years behind in a categorical and limitative constitutional provision on the appointment of members of the Supreme Court. This is all due to the impossibility of reaching agreements with COPEI. Now when the AD has received a clear mandate from the Venezuelan people, it is impossible to drone on about lack of compliance with the Constitution. It sticks to the Constitution and to the decisions of the top level of the judicial branch which is a fundamental branch in a democratic state.

[Question] Some people maintain that the way the attorney general, the comptroller and the judges were appointed means their actions will not be supported by a broad political base. What is your opinion about this?

[Answer] That is not true because the officials appointed enjoy national respectability and credibility. They have not been chosen through any type of commitment with the AD or some of its leaders but because of their merits for those high positions. Those people have specific value and will be received by the people as authentic representatives of the branches they are going to represent.

Debate on Economic Measures

[Question] It has been rumored that Luis Herrera is interested in participating in the debate on economic measures. Will you answer him?

[Answer] Well, whether or not former president Herrera participates, the leadership of the party and the head of the parliamentary faction, Carlos Canache Mata, know that I have expressed interest in participating in the debate. I have not yet decided whether I will or not. So far I lean toward participating. I will decide in the next few days.

More Intense Activity

[Question] Do your immediate plans include leading a more active life in the internal affairs of the AD?

[Answer] Yes, without any question. I believe the responsibility the people of Venezuela have placed in our hands requires a more active participation in the internal life of the party as well as in national life.

[Question] Aren't you afraid that if you decide to tour the interior of the country, you will be accused of trying to lay the groundwork for a presidential candidacy?

[Answer] I am not afraid of anything at all. I have demonstrated throughout my political life that I work based on my conscience and public opinion. I believe that all the party leaders have the obligation to project their image and make themselves felt by the public. I encourage the party leaders to project themselves on the country, on Venezuelan society. I ask everyone to do that. I will go when I feel I should participate in some important action for the government and the party. It is possible that I will participate in the municipal electoral campaign.

7717

CSO: 3348/349

COPEI LEADERSHIP CRITICIZES AD METHODS IN CONGRESS

Caracas EL UNIVERSAL in Spanish 30 Mar 84 p 2-1

[Article by Jorge Villalba: "AD Hegemonic Attempt Could Turn into Party Dictatorship"]

[Text] After an emergency meeting that lasted approximately 5 hours, the National Directorate of COPEI [Social Christian Party] warned that the position of the AD [Democratic Action] concerning the appointments of the attorney general, comptroller and judges could seriously hurt the institutional health of the country.

COPEI also warned that the procedure the AD used is part of a hegemonic strategy. If not stopped in time, it could even turn into a party dictatorship contrary to the spirit of the National Constitution and the pluralistic desires of the Venezuelan people.

After the meeting of the COPEI National Committee, Eduardo Fernandez, COPEI secretary general, summoned reporters in order to issue an official statement establishing the COPEI position on events Wednesday.

Fernandez said that, through its position, the AD has "fatally wounded" the institutional agreement in effect since 1969 for the appointment of top justices in the country.

Fernandez began by stating: "The National Directorate of the party has unanimously decided to publicly denounce the AD violation of the institutional agreement. According to that agreement, there should be agreement by the parliamentary majorities on the choices for the Supreme Court of Justice, attorney general and comptroller general of the republic."

"We claim this behavior by the government party seriously hurts the national political climate and is one more step in the development of a hegemonic strategy by the government party which lessens the dignity and independence of institutions that are fundamental in a state of law."

"The government party tries to subordinate the Supreme Court of Justice and other justices to political and partisan interests. Venezuela wants an autonomous Supreme Court of Justice as the National Constitution ordains. Venezuela

is equally interested in having tradition respected. According to tradition, the positions of comptroller and attorney general are filled not by political activists or people closely tied to any party, particularly the government party, but by citizens chosen to guarantee independence of opinions, competence in the performance of their jobs and complete honesty."

"Without making judgments about the citizens who will be nominated by the parliamentary majority, we denounce the procedure used by the majority as contrary to the interests and institutional health of the country. This procedure, as we said, is part of a hegemonic strategy. We alert the public about the dangers of a political process that, if not stopped in time, could lead to a party dictatorship that is incompatible with the pluralist desires of the Venezuelan people and with the spirit, intent and words of the National Constitution."

He emphasized: "The haughtiness, arrogance and prepotency in administration by this parliamentary majority can seriously hurt national life."

Fernandez also warned that the behavior of the AD adds a political ingredient to the delicate economic and social situation of the country. In view of that situation, COPEI is willing to lead a great national effort to confront that tendency and advance a policy of firm and patriotic opposition.

"From the very first day, we said that the conduct of the government would determine the tone of the political debate. COPEI is willing to staunchly confront the political, economic and social errors that the government party is committing with worrisome speed. We will extend our policy of dialogue to all sectors of national life and we will continue our warnings in good faith and patriotism so that the government does not follow a road that will bring nothing good in the immediate future."

Then the COPEI leader answered some questions from the reporters. He denied rumors about the alleged absence of COPEI from the chambers when the attorney general, comptroller and judges are appointed. He stated that COPEI would indeed be present at that session to express its viewpoints although, according to the Constitution, it has no other recourse than to accept the decision of the parliamentary majority.

As to the possibility that breaking this pact also affects the appointment of the members of the CSE [Supreme Electoral Council] and the leaders of the legislative chambers for the next parliamentary period, Eduardo Fernandez explained that the Constitution states that a qualified parliamentary majority is required for appointment to the CSE. That means two-thirds of the votes "so that no party can commit the outrage that will take place this afternoon."

However, he revealed his concern that the hegemonic strategy he attributes to the AD apparently contains elements that could mean that this party would try to use its parliamentary majority to introduce changes in electoral legislation. In his opinion, this would be "very serious and unacceptable."

As to the leaders of the chambers, he indicated that it will be necessary to wait until the next session to see if the political agreements on leadership positions for the opposition parties remain in effect.

COPEI FACTION ADVOCATES WITHDRAWAL FROM INSTITUTIONAL PACT

Caracas EL UNIVERSAL in Spanish 30 Mar 84 p 2-1

[Article by Jorge Villalba: "National Committee Debates Formal End of Institutional Pact, Withdrawal of Parliamentary Leaders"]

[Text] The formal end of the institutional pact and the withdrawal of COPEI [Social Christian Party] from the parliamentary leaderships and the chairmanships of congressional standing committees to strongly protest the attitude of the AD [Democratic Action] were debated at length yesterday by the COPEI National Committee.

It was learned that two conflicting positions were presented at that meeting. One upheld that it was necessary to take a "tougher" position toward the AD. Otherwise, this party would continue disrespecting COPEI and advancing its "hegemonic" behavior. The second stand upheld the need to publicly denounce and denounce in Congress the AD attempt to impose its "leveler." However, it would not break the institutional pact but wait to see what developed.

Not only the leaders of "Herrero-Pedro Pabloism" (Pedro Pablo Aguilar, Pepi Montes de Oca, Donald Ramirez, Agustin Berrios and Milagros de Gonzalez) but also a sector of "Calderism" (Maria de Guzman, Luis Enrique Oberto, Hilarion Cardozo and Haydee Castillo, among others) were identified with the first position. The latter group even proposed COPEI's withdrawal from the parliamentary leaderships and chairmanships of congressional standing committees now held by COPEI.

The second position was basically defended by Eduardo Fernandez, Gustavo Tarre and Paciano Padron.

It was learned that Eduardo Fernandez' position was criticized by some of the other leaders. In their opinion, it would weaken COPEI's opposition to the government. It was even privately commented after the National Committee meeting that his conduct was more in the line of a presidential nominee than would be expected from someone leading opposition to the government.

However, at Pedro Pablo Aguilar's request, there was no vote on the line to follow. In the opinion of the former COPEI secretary general, a decision of that magnitude had to be unanimous. The compromise adopted was to publicly

denounce the AD's position as "hegemonic" and leading to a party dictatorship. Later there will be a meeting of the full National Committee to examine the position that COPEI will have to take in the future toward the AD and the so-called institutional pact.

There was also criticism of the way the talks with the AD were handled. It was recalled that a year ago there was the possibility of an understanding. The AD would have accepted three of the candidates proposed by COPEI to replace the judges whose terms would expire in the Supreme Court. In exchange, COPEI would accept two proposed by the AD. However, COPEI stubbornly insisted on vetoing Otto Marin Gomez. This caused the AD to veto Reinaldo Rodriguez Navarro, proposed by COPEI, and the talks broke up.

When the talks opened again at the beginning of the current legislative period, COPEI again erred by presenting very vague proposals and not being explicit with the AD about any agreement. Also it did not foresee that the AD would try to impose its majority even though some spokesmen from that party told the mass media about the possibility of that decision.

It was also learned that the decision by COPEI to support the candidacy of Edmundo Chirinos against Piar Sosa in the elections of the UCV [Central University of Venezuela] could have been the detonator for the AD decision about the judges, attorney general and comptroller. This decision was questioned by Hilarión Cardozo who was in Central America at the time of that resolution by the National Committee. Cardozo claimed that COPEI would not have decided because of its traditional principle of leaving its members and sympathizers free to vote for the candidate of their choice.

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STUDENT DEMONSTRATIONS IN BARINAS, MARACAIBO CONTINUE

Caracas EL UNIVERSAL in Spanish 28 Mar 84 p 1-12

[Article by Enrique Garcia]

[Text] Maracaibo, 27 Mar (INNAC)--Student demonstrations continued in Maracaibo today in protest over the increase in transit fares.

One of the main avenues in Maracaibo, Los Haticos, which connects with the southern districts of the city, was the scene of violent protests involving students from the Leon Febres Cordero basic school and bus drivers who joined the student protest.

Students from the school, located only a few meters from the Las Banderas balloon, across from La Reaga electric power plant, were protesting the indiscriminate increase in fares on all lines and drivers from the Los Haticos bus line were demonstrating against the increase in the price of fuel, meat, tires, brakes and spare parts.

Carrying cardboard posters and signs, the students and drivers occupied the street, burning an undetermined number of tires and preventing any automobile or pedestrian traffic for over four hours.

The demonstration began early in the morning at the school gates and spread over several blocks, where all kinds of objects were used to erect barriers, not only to automobile traffic, but also to prevent riot squads from the Metropolitan Police from coming in.

No arrests were made during the demonstration. The protest was watched closely by the new air command of the FAP [expansion unknown] and in order to normalize automobile traffic, two firemen's units were used, along with an enormous truck from the Municipal Urban Sanitation Institute.

Government secretary Luisa Ferrer said that her offices has the first and last names of the persons who incited the students to demonstrate.

Ferrer was questioned by the INNAC correspondent about the effects of the student disturbances that occurred in the past 24 hours in Maracaibo and the possibility of a school strike in the days ahead.

With respect to the demonstrations, she said that there are concrete reports with the first and last names of persons who instigated the disturbances allegedly for the purpose of obstructing the coming municipal elections. On the second point, she said that the Office of Secretary of the Government is willing to come to an understanding in order to help students with measures countering the effects of the fare increase.

She stated that the instigators are only trying to create an unstable situation and gain political leadership, without measuring the consequences that such disorders might have on the community. She also emphasized that even though there were no arrests, serious cases have not been presented. The police are on the alert, trying to prevent any incident that might lead to violent consequences.

Barinas

Barinas, 27 Mar (INNAC)--Barinas was shaken by violent student demonstrations yesterday in protest over the increase in transit fares. The demonstrations took place opposite the government buildings, with students throwing rocks and other objects that damaged the buildings and even the office of Governor Pastor Salazar.

The student actions brought urban transport to a total halt yesterday in Barinas, in addition to the high schools. The protest was joined by students from Llanos University, Ezequiel Zamora.

Students were protesting the fare increase from 1 bolivar to 1.5. Student leaders say that while the foreign debt of the private sector is recognized with preferential dollar rates, the people have to suffer.

In some areas, police quelled the protest demonstrations with tear gas. The disturbances began on Monday, but without any major incidents. Not until yesterday did they grow to the extent indicated.

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BRIEFS

COPEI MUNICIPAL ELECTION STRATEGY--The municipal strategy committee of the COPEI [Social Christian Party] has outlined its campaign plans to exploit and capitalize upon the growing discontent of the people over certain unpopular economic measures adopted by the administration of President Jaime Lusinchi, such as higher gas prices and increases in the cost of certain essential food-stuffs (meat, among other things), transportation, and so on. Social Christian campaign strategists believe that the effects of the policies are already being felt among certain population groups, especially the middle class, and that with proper handling, new council candidates could harvest many protest votes. In addition, the Social Christian strategy will also consider the recommendation made by former President Herrera Campins to his party's National Committee of putting up active opposition to these measures in municipal councils now controlled by Christian Democrats. This will take the form of the opposition of such councils legally empowered to stage it to any authorization of increases in mass transit fares or in rates for public services for example. Another line to be developed during the municipal election campaign is the defense of the government work of Luis Herrera, particularly in the form of infrastructures of cultural and social accomplishments already publicly recognized. [Text] [Caracas EL UNIVERSAL in Spanish 29 Mar 84 p 1-14] 11,464

COPEI SECRETARY GENERAL CANDIDACY--Within a matter of hours (if he has not already done so), Rafael Andres Montes de Oca will speak with former President Herrera about his possible candidacy for the office of secretary general of COPEI. It is a known fact that the leader from Lara has not yet made any decision on the matter and is now involved in talks and reflection. It was reported that an announcement could be expected from Montes de Oca by the end of this week. It was also said that the former minister of interior is waiting for the COPEI primaries scheduled for Sunday to be over, first of all, because he does not want to disturb that process and second, because it is a secret to no one that the rank-and-file elections will be an initial indication of the ratio of forces. Pepi Montes de Oca has received the support (and even pressure) of prominent leaders of Herreropablism and regional leaders to throw his hat into the ring. They argue that he has the best image. But at the same time, Montes de Oca fears the possibility of a consensus, an experience he already suffered in the competition for the presidential candidacy and which he would not like to repeat. It has been said that Luis Herrera might support an internal understanding for the office of secretary general and that

he would work in that direction following the municipal elections. In the meantime, Felipe Montilla awaits the decision of Montes de Oca. It has been said that the education leader, a former minister of education, may also be seriously thinking of the possibility of becoming the Herreropablist candidate for the office of secretary general. Whatever the case, he will determine his position next week. [Text] [Caracas EL NACIONAL in Spanish 28 Mar 84 p D-17] 11,464

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